How much do watchdogs bite?

The Relationship between the EEA and Norway Grants and Hungarian Environmental NGOs

Júlia Szabó

Thesis submitted in partial fulfillment of the requirements for the Degree of Master of Philosophy in Culture, Environment and Sustainability

Centre for Development and the Environment
University of Oslo

Blindern, Norway

May 2013

Table of Contents

Abstract

The thesis focuses on the relationship between Hungarian environmental NGOs and the EEA and Norway Grants. The study describes and analyses how foreign civil society assistance enabled green organizations to pursue their agendas in order to understand how foreign assistance can potentially contribute to democratic processes. Since Hungary's transition to democracy and market economy in the 1980s, external assistance (especially American foundations and EU funds) has played an important role in the development of the Hungarian non-profit sector. Recent developments, however, endangered the consolidation of Hungarian civil society. Amidst the apathy among civil society actors, the EEA and Norway – the second biggest supporter of civil society today – has meant a ray of hope and offered opportunities for improving the quality of democracy in Hungary. How have environmental NGOs made use of foreign assistance and what have they achieved? The study offers an analysis by applying Keane's and Habermas's civil society theories in two case studies and also touches upon the foreign policy relevance of the grants.

List of Abbreviations

CARDS	Community Assistance for Reconstruction, Development and Stability in the Balkans
CSO	Civil Society Organization
CEE	Central-Eastern Europe
CCS	Corporate Social Responsibility
COMECON	Council for Mutual Economic Assistance
COR	Committee of Regions
EBRD	European Bank for Reconstruction and Development
EEA	European Economic Area
EESC	European Economic and Social Committee
EFTA	European Fee Trade Association
EIA	Environmental Impact Assessment
ENGO	Environmental Non-Governmental Organization
FIT	Feed-In-Tariff
FFHD	Fauna-Flora-Habitats Directive
GMO	Genetically Modified Organism
IPA	Instrument for Pre-Accession Assistance
IPPCD	Integrated Pollution Prevention and Control
NCF	National Civil Fund
NGO	Non-Governmental Organization
PHARE	Poland and Hungary: Assistance for Restructuring their Economies
QUANGOs	Quasi Non-Profit Organizations
RES	Renewable Energy Sources
WTO	World Trade Organization
WWF	World Wildlife Fund

List of Figures

Acknowledgements

The inspiration to write about Hungarian civil society came two years ago, when I attended an elective course at the Department of Political Sciences at the University of Oslo called "Linkages between Politics and Society in Developing Countries". The thesis is a product of this year-long infatuation with the topic. Several people have helped me in diverse ways but a very special gratitude is due to my supervisor, Nina Witoszek, who was a sympathetic but critical reader all along. My approach has been greatly influenced by her thoughtful attention. Nina has been subjected to many rough drafts of this text and there is no doubt that my thesis has been greatly improved by her useful comments and suggestions. Thank you for your patience, help and support. I would also like to thank the Center for Development and the Environment (SUM) for its generous financial support during my field trip in Budapest and for providing an inspiring study environment during my Master studies.

I would like to thank all my interviewees who gave their precious time and knowledge to help me understand Hungarian civil society. Without their help the thesis could never have been realized: Csaba Kiss, Gabriella Eleőd-Faludy, Máté Szentirmai-Zöld, Georgina Gál, Tamás Polgár, Szilvia Sándor, Gyula Szabó, András Lukács, Zsuzsanna Kondor, Zoltán Szabó and Domokos Szollár. I am particularly grateful to Veronika Móra, Mária Csikai, Péter Szili and István Deák since I leaned a lot on their comments. I am also indebted to my friend, Hilde Lønsethagen, for sharing her rich bibliography which she compiled during studying Hungarian civil society for years. A special thanks to Manar Alsaif for her invaluable help in proofreading the text. Last bust not least, I profited a lot from the reactions of my chief critic, Kyrre. I am grateful to him for having gnawed through my text and for pointing out redundant, insensible, missing or biased parts. I would also like to thank my family for putting up with all the time I devoted to the thesis and for helping me combat my occasional despair. Despite all the help, remaining errors and omissions are mine and mine alone.

Júlia Szabó

1. Introduction

> It takes six months to create new political institutions, to write a constitution and electoral laws. It may take six years to create a half-way viable economy. It will probably take sixty years to create a civil society. (Ralf Dahrendorf 1990:42)

1.1. Civil Society and International Assistance

The literature on Hungarian civil society often starts with the political and economical changes of 1989 and the decades preceding it. In the course of the 1970s and 1980, the concept of "civil society" was reinvented in Eastern Europe – first in Poland and then elsewhere – and rapidly inspired others in the West (Cohen & Arato 1992:487, Howell & Pearce 2001:15, Keane 2004:1, Celichowski 2004:71, Edwards 2011:11). This reinvention was initiated as people rejected the cruelty and corruption of their governments and the concept became a weapon in resisting the oppressive state. Civil society represented the right of self-organization in societies where the totalitarian state denied the very principle (Howell & Pearce 2001:15). As Ernest Gellner argues:

> Soviets and Eastern Europeans turned to this notion (...) because it did convey, in a concise and very suggestive manner, precisely that which they most lacked and most desired. The aspiration for civil society was born of the social conditions of Eastern Europe and the Soviet world. (Gellner 1994:54)

Civil society meant the possibility of human emancipation and held out the promise of a liberal, pluralist democracy. Although these were not Eastern Europeans' only objectives: it was also a prominent desire to transform the conditions of material life and to gain freedom to economic self-management. However, most value was given to democratization and the development of a liberal political sphere (Howell & Pearce 2001:15). With the increasing

recognition of political and economic crises in the late 1980s, the culture of silence was gradually replaced with more open dialogue among formerly isolated citizens. A new public arena emerged where social, environmental, cultural and – for the first time – political issues could be openly and critically discussed. In the 1980s a modern, critical dialogue was born in Hungary. (Miszlivetz 2008:98)

After the transition to democracy and market economy, numerous studies showed that in most countries civil society played a role in overcoming authoritarian regimes and establishing democratic structures (Paffenholz & Spurk 2006:5). Inspired by the democratic opposition movements in Eastern Europe, donors increasingly focused on the potential role of civil society. "It is only the rediscovery of this ideal in Eastern Europe (...) that has reminded the inhabitants of liberal states on either shore of the northern Atlantic of just what it is that they possess and ought to hold dear" (Gellner 1994:13). The rediscovery of the ideal of civil society paved the way for Western financial institutions, foundations and multilateral development agencies to sponsor civil society in the former communist states of Eastern Europe (Císař 2010:738). They all started out with the implicit assumption that civil society was an important democratic check on the state and this led donors – mainly American foundations and institutions – to begin a serious program of "democracy building" in Eastern Europe.[1] Funding citizen activism held out the promise that a lively civil society would strengthen democratic institutions, protect the rule of law, legitimate a peaceful opposition and the expression of dissent in acceptable ways. In these American approaches the main task assigned to civil society was the protection of citizens from the state (Howell & Pearce 2001:59). A strong normative element is present in such understandings since they reflect the belief that civil society is essentially a 'good' thing. The implications of such views on civil society has been significant since foreign donors who provided assistance to Eastern European transition countries included civil society under the category of "democracy assistance" and mainly focused on advocacy NGOs above other civil society organizations (Celichowski 2004:75).

More than twenty years after the historical changes of 1989, Hungary is an unquestionable market economy with a liberal democratic political system and citizens no

1 Dahrendorf's use of words in the motto (i.e. the "creation" of civil society) also suggests an understanding of civil society's nature as externally revived and imported rather than emphasizing it endogenous and organic development.

longer have to be protected from the state.[2] Accordingly, the role of civil society has shifted: it is increasingly considered to be a natural counterpart of the privatized market and the democratic political institutions rather than a force against authoritarianism. Although major international donors which used to support civil society have left the region when most Eastern European countries joined the EU (Börzel 2010:6), strengthening civil society is still considered to be a relevant objective for Iceland, Norway, and Liechtenstein – the donor countries behind the EEA and Norway Grants. The EEA and Norway Grants is a financial mechanism which is part of the EEA Agreement between the three EFTA states and the EU. Norway provides 97% of the assistance (EEA and Norway Grants 2011:2). The funding scheme was set up in 2004 in order to reduce economic and social disparities within the twelve newest EU member states in Eastern Europe, as well as Greece Portugal and Spain. Although the assistance is targeted at several areas, the development and invigoration of civil society were key areas of support. By setting up the Hungarian NGO Fund[3], Norway became the second biggest financial contributor to Hungarian civil society during the first five-year funding period between 2004 and 2009 (EEA and Norway Grants 2011:15). The NGO Fund was received with enormous interest and enthusiasm by civil society organizations, since international organizations providing such support have turned their attention to other regions and the financial crisis left civil society chronically underfunded and even more vulnerable than before.

Most discussions of development assistance tend to go one way: while much is said about the 'effects' and 'results' of assistance in the beneficiary countries the wider context of international relations which produces the *raison d'être* of assistance is often left out of the picture. It is a widely accepted view in international relations that aid and development assistance are elemental parts of donors' foreign policies (Moravcsik & Haggard 1993, Van Rooy & Robinson 2000:45, Hopkins 2000:338, Stokke 2005:33, Encarnación 2011:4). Moravcsik and Haggard argue for example that the US foreign aid assistance streaming into Eastern Europe in the 1980s was determined by foreign political considerations. The US, most engaged in the Cold War struggle, disbursed substantial amounts of official development aid in eastern-bloc countries before and after the transition as a reward for good political behavior. Aid was more of a political symbolism than a functional necessity.

2 Recent political trends, however, have given reason to be concerned over the health of democracy and the rule of law in Hungary. I will briefly refer to these events below.

3 In twelve beneficiary countries 19 NGO Funds were set up.

(Moravcsik & Haggard 1993) Can we assume that the EEA and Norway Grants is part of donor countries' foreign policies? And if the answer is yes, then what role does it play in Norway's foreign policy? Does this type of assistance serve altruistic purposes or other, economic and political interests? Is the EEA and Norway Grants a voluntary interstate cooperation based on solidarity as the donors claim or were there more instrumental considerations in the background? In order to place the grants into a wider context and understand the factors that determine its presence and future we cannot spare looking at this aspect of the grants. Trying to find the answer to these questions is an important pillar in Chapter Two.

If we consider the Eastern European anti-authoritarian movements, the environmental movements – such as the Danube movement in Hungary or The Rainbow movement in the Czech Republic – preceded and in some ways precipitated the political changes of 1989 (Lipschutz &Mayer 1996:129, Harper 2004:8, Pearce 2009, Fagan 2010:692). The struggle for a healthy environment was often a symbolic protest against the political regime and the green movement played an important role in overcoming authoritarian regimes and in establishing democratic structures. In Hungary, the Danube movement – a green movement against a state socialist infrastructural mega-project on the Danube – had an especially central role in shaking the foundations of the communist regime (Lipschutz & Mayer 1996:129, Harper 2004:8). Members of the movement presented themselves to be as a Western-European type, one-issue, 'new social movement' and insisted on the non-political and 'professional' character of their activity, even in moments when their political role was obvious (Miszlivetz 2000:74). Foreign assistance played a central role in the development of this section of civil society since the mid-1980s until today and contributed to different aspects of civil society development. The Danube movement's main organizations had the broadest range of international contacts in Hungarian civil sphere in the 1980s and early 1990s and had access to American and Western European funding, publishing opportunities and training trips abroad. The establishment of research and monitoring facilities was essential for activists to have access to, and be able to produce accurate and independent scientific information about the condition of the environment. (Persányi 1992:91-92)

The main impact of foreign philanthropy this time was the professionalization of civil society organizations (Jenkins in Císař 2010:741). Since the second half of the 1990s, EU funds have assumed a much more prominent role amongst the available foreign resources.

Although the impact of EU funding is often interpreted by activists in terms of professionalization, organizational capacity building, human resources development, and bureaucratization (Císař 2010:745), it also contributed to a great extent to the globalizing outlook of environmental organizations and the internationalization of their agenda. By being connected to the European networks through workshops, twinning programs, etc. not only financial but other resources followed as well such as deepened international cooperation between various national groups, the exchange of effective organizational models and know-how, and new opportunities to participate in policy-making (Císař 2010:749). Being the second biggest sponsor of Hungarian civil society, what role does the EEA and Norway Grants play in the environmental work of civil society organizations? How do these organizations use foreign resources to achieve maximum effect? What strategies do they employ and what functions do they fulfill through their activities? The case studies in Chapter Three and Four will shed light on these questions.

1.2. Definition Matters: Who is Civil, who is Non-Profit?

Since the 1980s, civil society has established itself as a paradigmatic concept in the field of development policy and practice (Edwards 2011:2). Since the late 1980s, multilateral development agencies, international financial institutions, NGOs, environmentalists, neo-capitalists and social democrats have all in their own and distinct ways appropriated the language of civil society. Its appeal to such a wide institutional and political spectrum lies in the intellectual and political space it opens up about the relationship of state, market and society. Although some critics disparage the theoretical and practical usefulness of civil society because of the ambiguity and empirical diffuseness of the concept, civil society has proved far more persistent than many other buzzwords in discourses on development and democracy. While some critics have denounced the term a “conceptual portmanteau” (Van Rooy 2000:28) and a “dustbin category” (Keane 2004:9) or abandoned the concept altogether; others – politicians, academics, activists, development theorists and practitioners – enthusiastically embraced it and have used it as a potential tool in the critical exploration of social change. Ironically, the diffuseness of the term has also been the secret if its

success, enabling it to be legitimately claimed by everyone. (Howell & Pearce 2001:1)

As a consequence, the definition of civil society has been notoriously elusive and there is no commonly agreed definition. Its various historical roots – ranging from Scottish Enlightenment thinkers, through de Tocqueville to Marx and Gramsci – and its usage by different trends of contemporary political philosophy and development theory renders the concept one of the most difficult social science concepts to define, similar to an attempt to "nail a pudding to the wall" (Heinrich 2004:11). However, no discussion on civil society can avoid adopting some kind of definition. The notion of civil society as a sphere of voluntary, collective action around shared interests and values is not controversial (Paffenholz 2006:2). Beyond this basic observation there exists a broad and a narrow definition of civil society.

The broad definition is more theoretical since it emphasizes the abstract qualities of civil society. Authors committed to the broad definition believe that civil society is, first and foremost, a sociological space where collective action becomes possible. They also rule out the possibility that civil society, due to its complexity and dynamics can ever be empirically measured. The narrow definition is more practically oriented and aims to define civil society as an empirical, measurable manifestation of social life. Authors of this approach often refer to civil society as 'non-profit' organizations and take only legally registered civil society organizations into consideration. Although these definitions are used interchangeably in Hungary, considerable differences exist between the two and makes it necessary to explain the differing content behind them.

The spread of the narrow definition in Hungary originates from the 1980s when the country began adapting to developed liberal democracies and took over Western institutions and use of definitions. It became necessary from administrative and taxation reasons to differentiate the non-profit sector from the state and business sectors in the accounts of the national economy. The influential international research program, the John Hopkins International Nonprofit Sector Project, also contributed to the spreading of the term "non-profit sector" to denote those institutionalized associations which lied outside the realm of the state and the market. (Bíró 2002:5, Kuti 2008:10) The project was an attempt to collect systematic and comprehensive data on the sector's employees, incomes and expenses. It made it possible for the first time to make empirically valid observations about the structural and financial characteristics of the non-profit sector and to measure its contribution to the economy. This narrow definition is informed by a pragmatic, organizational focus and

economic orientation and takes only legally registered organizations into consideration. The emphasis on civil society organization's economic and organizational characteristics make it easier to delineate the concept and collect data on it – and as a consequence all the empirical (statistical) knowledge which is available about the sector is based on this definition. (Kuti 2008:10)

For many, the narrow definition will not suffice. What about those less institutionalized forms of civic initiatives which are not legally registered? Informal alliances, *ad hoc* or spontaneous actions, boycotts and protest movements – are these not part of civil society? Are not these important channels to express popular will? On the other hand, what about the many registered non-profit organizations which are dependent on central budget support and only supply services which they take over from the state? These cannot be called purely 'non-governmental' by any means.[4] If we want to take into account a wider spectrum of civil society, a wider definition is needed. This conception was born in the 1980s, when dissident Eastern European intellectuals (such as Andrew Arato, Václav Havel, and Adam Michnik) resurrected the idea of civil society both in academic and practitioner circles. The ideological foundations of the concept rest on the realization of human and civil rights, the rule of law and the pluralization of interests (Bíró 2002:1).

According to this definition, civil society is a sphere of social interaction between the economy and the state, composed of the intimate sphere (family), the sphere of voluntary associations, social movements and a number of other forms of public communications. This does not mean, however, that civil society encompasses *all* phenomena of society that cannot be connected to the state or to the business sphere. Civil society is only one dimension of the sociological world; the dimension of conscious associations, self-organization and organized communications. Although different from the state and the economy, civil society is not in opposition to them by default. Antagonistic relations only occur when the institutions of economic and political society insulate decision-making from social organizations and public discussion. (Cohen & Arato 1992:ix-x) Civil society is a heterogenous and dynamic public arena which is "built on the autonomous and voluntary will of individuals taking part in social and political affairs. (...) The uninterrupted social

4 Another example shows how legal status is not indicative of a virulent civil society: in oppressive states civil society can be strong – if there is a strong underground opposition; while the non-profit sector weak – if democratic organizations are banned by the state. A strong non-profit sector can only become a strong civil society if it exists in a stable democracy (Bíró 2002:2).

need for civil society throughout the world in turn stems from democratic deficiencies: the whole project of civil society is, therefore, an intensely political one." (Miszlivetz 2000:76)

This broad definition of civil society soon became a stock phrase in Hungarian political discourse after the transition since it held out the promise of a feasible social plan which made transition to liberal democracy possible. Gradually, the concept of civil society encroached upon and squeezed out the narrower, statistical concept of non-profit sector (Kuti 2008:11). To sum up, civil society is both a wider and a more restrictive term at the same time. But rather than seeing these definitions as mutually exclusive, it is more useful to explore how they relate to each other in different contexts and approaches (Edwards 2011:6).

The working definition of the EEA and Norway Grants defines eligible organizations as legally established, voluntary, self-governing organizations which are independent of political control (e.g. foundations, associations, trusts, etc.); social partners (employers' organizations and trade unions); and certain independent organizations enjoying a specific legal status (e.g. the national Red Cross societies). Political parties, religious institutions or for-profit organizations are excluded. (NGO Grants Guideline 2007:3) Accordingly, the intermediary grant-making foundations which manage the Hungarian NGO Fund only granted funds to "classical civil society organizations" i.e. associations and foundations. They excluded quasi non-profit organizations (QUANGOs), such as public foundations and nonprofit enterprises, because these are semi-governmental organizations which are established and sustained by state institutions and as such cannot be considered totally independent from the state. (Móra interview:08.10.2012)[5]

Although the EFTA donors refer to eligible organizations as NGOs, I prefer using the term civil society organization (CSO) in the following discussion – even if I often refer to environmental civil society organizations as ENGOs. The reason for this is that while Western donors often conflated civil society with service providing and program implementing NGOs (Van Rooy & Robinson 2000:34), these are often not those free associations and independent power centers of Hungarian civil society that István Bibó described as "little circles of freedom" (Kuti 2008:12, Miro-Kiss 1992:51). NGO also often

5 According to the definitions of the Hungarian Central Statistical Office the non-profit sector incorporates classical civil society organizations (i.e. private foundations and associations), social organizations (i.e. trade unions, employers' and professional alliances) and QUANGOs (i.e. public foundations, public enterprises) (Kákai & Sebestény 2012:116). This is a much wider definition than the one the grant-making foundations use when they disburse funding.

refers to those formalized and professionalized advocacy organizations which were predominantly supported during the 1990s and which were recognized and favored by donors as the legitimate manifestation of civic associations (Císař 2010:739). The term CSO emphasizes more the political role civic organizations play in the process of improving the quality of democracy (Van Rooy & Robinson 2000:35). It is important to clarify the differences, for the sake of the the following discussion and also because the way we speak about civil society also impacts the way foreign assistance is apprehended (Tvedt 1998:2). Ideas about civil society matter because they shape our analyses of the problems we see in our and other societies and those analyses are later followed up by programs, projects and financial assistance. In the meaning of civil society lie inspiration for action in supporting social change (Van Rooy & Robinson 2000:31).

Although today's discourses of civil society continue to draw on themes that were first articulated in the early stages of capitalist development, “the world-historical impetus to revive the category, in theory and action, comes first and foremost from the state-socialist countries” (Cohen & Arato 1992:487). While the term was revived in former socialist countries in the 1980s, it coincided with a resurgence of interest in civil society in the West. Over the past three decades, the number of civil society actors at local, national and global levels has grown significantly together with their influence in public life. Many scholars and policy-makers now see civil society as an important factor in consolidating and sustaining democracy, fostering pro-poor development policies, achieving gender equality and in fighting environmental challenges (Heinrich 2004:1).

The discourse on civil society often varies according to the conceptions on what it is *supposed* to do. From the vantage point of foreign contributors, civil society is supposed to do mainly two things: on the one hand, it is supposed to improve development and on the other hand, it is supposed to improve the quality of democracy (Van Rooy & Robinson 2000:31). As a consequence, democracy theory and development theory are the two main approaches which are inherent in the discourse on civil society. Donors often use 'civil society' as a normative concept (what they would *like* civil society to be, what it *ought to* be) instead of taking civil society for what it is in a given context. The constant slippage between the normative and empirically observable concepts in the literature and in practice has led to a depoliticized approach to civil society, which assumes that the relationship of civil society to democracy and development is unproblematic (Pearce cited in Miszlivetz

2008:93). However, it is important to see that the language we use to conceptualize civil society carries practical implications: it has, for instance, mostly favored the vision of Western donor agencies and turned civil society into a project rather than a process (Van Rooy 2000:1). To sum it up, a discussion on what civil society is supposed to do, highlights the diverse normative assumptions donors make about the relationship among civil society, development and democratization and predicate how these assumptions are translated into the practice of civil society strengthening programs. (Howell & Pearce 2001:2, Edwards 2011:7)

While many donors assert the importance of collective citizen action and its contribution to democracy or development, empirically grounded studies about the nature of this contribution of civil society are rare. Despite the century-long obsession with the shape and development of civil society, we have only a limited understanding of how civil society works and what it can offer. (Heinrich 2004:2) The large body of writing on civil society has not always helped clarify why civil society is essential for development and the causative links between civil society and democracy has not proved straightforward either (Howell & Pearce 2001:40). Bracketing for a moment what donors expect civil society to achieve, the question I turn to rather is how civil society organizations are involved in the "change work" often attributed to them (Van Rooy 2000:15). In what ways can civil society activists bring improvements about? How are they agents of democratic ideas, how do they keep the state in check, and how do they give voice to the oppressed and marginalized? How does donor assistance help them in their efforts? What are their strategies and what is the guarantee these will work? Sadly, the practitioner and scientific communities know too little about the precise answers to these questions. This thesis is a modest contribution to the debate as it attempts to fathom how environmental CSOs can bring change about with the help of the EEA and Norway grants.

1.3. Theoretical Overview

Theoretical approaches have much to offer but it is the achievements of civil society which are most important (Edwards 2011:11). How does the dynamic of associational life

contribute to (or hinder) the achievement of “good society”? How can these achievements be understood in a particular setting? Most scholars struggle with these questions. In order to tackle this analytical impasse, I sharpen my focus and analyze those concrete actions and functions of civil society actors' which are likely to deepen democracy. Exploring the main functions ascribed to civil society is illuminating in understanding its achievements. What are civil society actors engaged in? What are their strategies and activities? What are the consequences of these? One way to interpret civil society roles is to use Paffenholz's and Spurk's model. They derive an analytical model from democracy and developmental theory which is useful in relating civil society functions to democracy independently of cultural contexts. (Paffenholz & Spurk 2006:13) They assign seven essential functions to civil society, which have the potential to contribute to improved democracy: protection of citizens; monitoring for accountability; advocacy and public communication; socialization; community-building; intermediation and facilitation between citizens and the state; and finally, service delivery. The functional approach is essentially action-oriented as it seeks to identify the types of activities CSOs pursue. From these seven functions I highlight the functions of 'monitoring for accountability' and 'advocacy and public communication' which are the main functions of the environmental organizations whose activities I analyze below.

Several other sources in the literature highlight monitoring and advocacy as one of the main functions of civil society organizations or classify them along these functions. Civicus's Civil Society Index also identifies similar functions as inherent to CSOs activities. 'Influencing public policy' and 'Holding states and corporations accountable' are two of the five main types of “impact areas” that civil society actors have on other people's lives and on society as a whole (Heinrich 2004:21-22). Similarly to Civicus, USAID's NGO Sustainability Index also gauges the strength and viability of civil societies along certain dimensions. The 'Advocacy' dimension looks at the formation of coalitions and networks among civil society actors, the means they use to communicate their messages to the broader public, the way they articulate their demands to the government and conditions of influencing policy-making. They also include monitory activities in this dimension such as monitoring government performance. (USAID NGOSI 2009:224) These dimensions are primarily set up to serve the practical purpose of assessing the state of civil society in a given country and “render the abstract civil society concept useful” for empirical research (Heinrich 2004:17). These functions are also identified by an external evaluation of the EEA

and Norway Grants' NGO Fund (Pitija 2010:6).

Before, during and after transition, these functions have been especially important in the activities of environmental activists. The function of “monitoring for accountability” mainly means monitoring the activities of the state apparatus and the government. This is also a way of controlling public authorities and holding them to account – this function earned civil society the “watchdog” nickname. Monitoring can refer to various issues from monitoring GMO policies to measuring pollutant content in the air. The other function of civil society is “advocacy and public communication.” This refers to civil society's important task in articulating various interests, especially of marginalized interests, and in creating channels of communication in order to put these interests on the political agenda. This way advocacy groups raise public awareness to a neglected problem and initiate a public debate about it. In the case of environmental NGOs, advocacy activities can range from organizing anti-GMO campaigns in the public sphere or lobbying the government to increase tax on diesel fuel in order to prevent air pollution. (Paffenholz & Spurk 2006:13)

The questions I am most interested in are as follows: how can civil society actors make big business and state more accountable? How does 'civil control' work in real life situations? On the other hand, to what extent are environmental CSOs able to open up channels of communication between the public and policy makers? What are their strategies to influence public policy? How do they gain support for various causes? How does the government cooperate with CSOs? And most importantly, what role does foreign assistance play in realizing these functions? In what ways does it facilitate monitory and advocacy activities?

In order to analyze the way these functions materialize in reality, a theoretical background is necessary to put flesh on the analytical model. Attempts to conceptualize civil society are profuse and the debate on it stems from several roots. The idea of civil society was born in a particular time and space in Western philosophy, during the period of the Enlightenment. The origins of the term can be found in the writings of John Locke who was the first in modern times to conceptualize civil society as an entity on its own right which existed separately from the state. In his view of social relations the main task of civil society was to limit authority and protect the individual from the arbitrary interventions of the state (Paffenholz & Spurk 2006:4). The French philosopher Montesquieu was particularly interested in the differences among types of societies from barbarian to monarchical,

despotic to republican. His insight was that “savages” enjoy freedom because they are not subjected to absolute power. Modern liberty, however, guarantees security through the regulatory framework of law. Therefore, civil society makes conceptual sense only if relations are regulated between citizens. The rule of law and the countervailing power of civil society also control the central authorities (monarchy). (Howell & Pearce 2001:20) Another Frenchman, Alexis de Tocqueville, set out to understand American democracy when it was not yet considered an ideal form of governance in Europe. His main conclusions were that free human association around mutual interests protects individuals from despotism; preserves their individuality from the pressure of conformity to the 'will of the masses' (meaning, democracy); and fosters democratic culture and active civic engagement (Howell & Pearce 2001:43). A century later, the Italian Marxist Antonio Gramsci came up with radical conceptions about civil society. He underlined the crucial role of civil society as the vehicle of bourgeois hegemony. In his view civil society is an arena where the state attempts to persuade the exploited classes to accept that the way society develops under capitalism is “natural”. However, Gramsci also saw civil society as a room for problem-solving, a an arena where the exploited could challenge the ideological hegemony of the bourgeoisie. (Howell & Pearce 2001:34, Paffenholz & Spurk 2006:4)

These earlier notions of civil society were based on purely Western concepts and were historically tied to the emancipation of citizens from feudalistic ties, monarchy and the state of the 18th and 19th centuries (Paffenholz & Spurk 2006:5). Modern debates are much richer in approaches as well as in participants. Contributors to the debate have come up with various theories in order to develop a conceptual framework of civil society which is adequate to contemporary conditions. Cohen and Arato argue that post-modern debates on civil society have been the most influential in understanding contemporary civil societies (Cohen & Arato 1992:3). It is widely acknowledged that the post-modern debate was resurrected in the 1980-90s in order to answer modern problems such as political change in the post-Cold War era and the dismay over the quality of industrialized societies (Van Rooy 2000:5).

The discourse forks accordingly, with a distinctively American approach to civil society on the one hand, and an alternative continental European tradition. The American approach is greatly influenced by de Tocqueville and Robert Putnam and this approach ultimately considers the task of civil society as “system maintenance” (Howell & 2001:59).

Civil society's main contribution is political stability since a plurality of voices check the excess of governments, they defend the individual against the mass and preserve civic culture. On the contrary, in the continental European tradition the plurality of voices can preserve particular interests against collective interests and prevent citizens from conforming to the general will; and autonomous social action can be a source of social and political change (Howell & 2001:60). This is of course not an exhaustive review of civil society literature, only an indication of the wide historical, ideological and geographical span of it.

In order to explore the capacities of environmental NGOs to function as monitors or advocates, I chose John Keane's and Jürgen Habermas's theories to provide the grounds for the discussion. In contrast to other civil society theories, Keane's and Habermas's theories corresponded perfectly to the two functions of monitoring and advocacy. Keane's theory on 'monitory democracy' directs our attention to all those power scrutinizing mechanisms which exist beyond the confines of the institutions of representative democracy (Keane 2013). These mechanisms contribute to a more substantial form of democracy since they give a voice to the concerns of those who feel left out of official politics. Keane's theory provides the grounds to discuss the monitory activities of the NGO which I present in the first case. In the second case, Habermas's theory on the public space and rational-critical debate will be instrumental in understanding the importance of another ENGO's activities. Although Habermas traces the decline of the bourgeois political life of the seventeenth through the mid-twentieth centuries, his theory reaches beyond the eventual decay and recovers important insights into the potentials of civil society today. Rational-critical discourse is especially illuminating in studying the advocacy activities of CSOs. In order to understand how Hungarian environmental CSOs function, what strategies they use and how the Norway Grants helped them further their aims, I studied two CSOs to find the answer to my questions. I further elaborate and apply these theories in each of the cases.

In the first case, I introduce a relatively small, grassroots organization which represents the interests of the residents of Rákoshegy, a neighborhood in the close vicinity of Budapest Airport. Due to a mistake in the 1980s, one of the runways was built too close to the residential areas of Rákoshegy and with the continuous growth of passenger traffic, the noise has become unbearable. The organization stood up for the rights of the locals and when negotiations with the airport's management broke down, it sued the airport. With the

help of the grants the CSO was able to monitor the noise levels in the area and produce independent, scientific data and find out that the methodology of noise measurement is flawed. Another key monitory activity of the organization was to participate in several consultative forums, this way making decision-makers publicly accountable. Keane's theory, which focuses on the monitory functions of civil society, highlights how these functions contribute to the improvement of democracy.

In the second case, I analyze the activities of a strong and visible advocacy NGO, Energiaklub, which promotes sustainable energy solutions. The NGO's main target have been policy-makers since its main aim has been to influence a range of energy policies. The organization is engaged in successful and high profile advocacy and it is a widely cited reference in national media on energy issues. With the help of the Norway grants, the NGO organized a series of conferences on sustainable energy solutions where key representatives of business, public and civil sphere were invited. The conferences proved very successful and lead to the professional development and wider recognition of the organization. Habermas's theory on the public sphere and rational-critical debate sets the NGO's policy improving strategies in high relief.

1.4. Rationale

The study aims to contribute to the discourse on civil society and its relation with foreign assistance via the exploration of the ways the EEA and Norway Grants facilitated Hungarian environmental NGOs carry out their monitory and advocacy activities and the ways it helped them to reach their aims. The study gives a nuanced analysis of this by applying civil society theories. These theories provide a framework and help understand how NGOs' activities contribute to the improvement of democratic practices. Since we have limited knowledge of how civil society contributes to democracy – if at all – the case studies provide an insight into these mechanisms. While the effects of foreign donor funding of Eastern European civil society in the 1980s and 1990s are well-documented in the literature, I have no knowledge of any academic writing on the relationship of CSOs and the EEA and Norway Grants apart from another up-coming thesis at the University of Oslo. The thesis is

thus a contribution to the literature and perhaps the first in the line of future academic attempts to analyze Hungarian civil society's and the EEA and Norway Grant's relationship.

The academic silence is all the more surprising given the relevance of the topic. The first phase of funding has just been over (2010) and the application process for the next phase of NGO Funds started in spring 2013. The interim period between the two phases offers a good opportunity to look back and review what the grants have meant for Hungarian civil society and to draw conclusions which are relevant for the future. On the other hand, the topic has relevance from a foreign relations point of view as well. Since 2004 the EEA and Norway Grants has represented by far the most important diplomatic connection between Norway and Hungary (Polgár interview:16.11.2012). As long as Norway is part of the EEA, the grants in one way or other will define the relationship between the two countries and as a consequence studying any aspect of this relationship is an important undertaking.

Although this study is neither a policy paper nor a comprehensive evaluation of the results of the Hungarian NGO Fund, a better understanding of how foreign assistance potentially boosts civil society organizations' capacities is relevant for donors and Hungarian decision-makers. The analysis might be informative for donors since it provides a peek into a specific slice of Hungarian civil society and the ways their money is put to use on the ground – these important details often get lost in commissioned evaluations which focus more on procedural aspects of grant disbursement. More importantly, the study is relevant for domestic power holders and public officials responsible making decisions regarding aspects of civil society: the following discussion might spark some thoughts about the naturalness of the present situation, when a foreign state is the second biggest funder of Hungarian civil society. Whose role is it to sustain civil society? The state's? The EU's? Individual philanthropists' or Hungarian society's? What does external civil society strengthening programs tell us about the condition of Hungarian democracy? Decision-makers might come to terms with the role of civil society, whether and to what extent it should be supported by the state, and ultimately better understand society-state relations. Last but not least, the analysis is a useful reading for members of civil society organizations as well since most of the discussion is about them. Hopefully, the thesis is an encouraging reading and helps them and realize their own potential. The aim of this thesis is to open up windows, spark a debate and offer a critical peek into these processes and to contribute to a

better understanding of the role of foreign assistance and civil society.

1.5. Research Methods

The methodology of the thesis is predominantly constructivist i.e. during my investigations I filled social contexts with meaning. As I tried to understand the actions of donors and civil society organizations I constructed patterns which were products of my own making. (Moses & Knutsen 2007:10) Consequently, the object of my study might have been analyzed differently by someone else but my account of the situation and events reflects how I made most sense of what I studied, based on my readings, experience, culture, age, etc. For constructivists "truth lies in the eyes of the observer" and in the constellation of data, theories and arguments which support this truth (Moses & Knutsen 2007:12). The account I share in this study seeks to capture the *meaning* of social actions for the people performing it, as well as for myself studying it (Moses & Knutsen 2007:11). I blend descriptive elements with disciplined interpretation, which makes my approach descriptive-analytical when I study contemporary environmental NGOs from a social theoretical perspective. My analysis and the way I constructed the cases reflect my own perceptions. Since the description of the events might not be free from biases, I cannot claim that any part of my account corresponds to a singular, absolute truth. Instead, I try to establish relevant factors that explain why one view of the world becomes 'true' at the expense of others. (Moses & Knutsen 2007:12)

In each qualitative case study I studied a particular NGO and tried to focus on the main function that underscored the organization's activities. I also selected and applied a civil society theory in each case which I found relevant for analyzing these activities and the role of the funding. The project-based activities of the NGOs made it an obvious choice to use the case study format both as a process of inquiry and as the outcome of the inquiry (Stake 1994:436). The objects of study – the two grant-winning projects – were such unique, integrated and bounded systems, which in their own specificity perfectly served the basis of the cases. The case studies are limited to the time frame of the projects in order to keep their integrity. The projects were carried out between late 2008 and middle of 2010 and

I rigorously tried to avoid any follow-up on later events in relation to the issues the NGOs were focusing on. However, it was not always easy because in the case of the association at Rákoshegy, a new NGO took on the issue and went on litigating the airport. I included information about the new NGO because it had relevance to the conclusions that I drew from the case. On the other hand, it was not always easy to see where a case ends and where its environment begins since NGOs are generally caught up in a rich net of relations and contexts. In order to focus on the most relevant features of the organizations' activities, I had to filter out a range of possible aspects which were not strictly connected to the "bounded system" of the case e.g. CSOs' legal regulation. (Stake 1994:435)

I tried to understand the complexities of the individual cases but while I concentrated on the particulars in each case, by way of the theoretical analysis I inevitably opened up room for generalization and connected the single organizations under discussion to other environmental NGOs and Hungarian civil society at large. I was interested in illustrating a grander issue through these particular cases, that is why the two cases are more instrumental case studies than intrinsic ones (Stake 1994:437). Understanding the complexities of the cases in itself was very important but I chose the two particular cases in order to advance my understanding of another interest: how the grants helped the ENGOs to fulfill their functions? Both cases are looked at in depth and their contexts are closely scrutinized but they are more illustrative of a greater phenomenon. The case studies both draw attention to what especially can be learnt from the single case and how it advances the understanding of a more general, abstract phenomenon. (Stake 1994:435)

The cases under scrutiny were also illustrating a theory in order to improve my understanding of the case. The cases are organized around the following conceptual structure: what was the situation the NGOs wanted to change? What did they do in order to change the situation for the better? What was their function in shaping the events? How can this be better understood by using a civil society theory? How was the organization's activities facilitated by the grants? And finally, what was the impact of their activities? Correspondingly, in the first case I introduce a community which is disturbed by the noise coming from the neighboring airport. A local NGO gets organized around this issue to represent the locals and stand up for their interests. They hire a professional expert who monitors the noise level in the area; at the same time the CSO members attend stakeholder consultations to further the locals interests. These activities constitute the monitory

functions of the CSO which potentially improve the authorities' democratic practices. Without the grants the grassroots organization would not have been able to represent the locals effectively, produce independent data on the noise level and they would not have been able to litigate the airport successfully.

1.5.1. Choosing the Cases

The reasons why I studied the two particular cases of Rákoshegy Airspace Association and Energiaklub can be put down to practical and methodological considerations. Among the total of 240 grant-winning projects of the Hungarian NGO Fund, there were 71 projects which targeted environmental protection or sustainable development. Out of these I focused on those projects which were logistically accessible for me, i.e. the ones concentrated in Budapest. There were 25 of such projects. I contacted approximately half of the CSOs in order to interview their members who took part in the project. I soon realized that getting in contact with my subjects was not as easy as I had imagined. Unfortunately, many I contacted either did not respond or left the organization or were on maternity leave. This brought home to me the oft-mentioned “dynamic” and “liquid” qualities of the sector. Despite these difficulties I interviewed leading members of eight organizations. Initially I planned to make a case out of four-five of the projects but I realized that it is better to study only a few and prepare a more in-depth analysis of them. Thus, I chose two of the cases which had the potential to bring out the dominant theme. I was wondering how the grants benefitted a local, grassroots and a bigger, professional organization, so I selected the projects of Rákoshegy Airspace Association and Energiaklub.

1.5.2. Sources of Data

One of the main sources of information for the case studies were those qualitative interviews which I conducted during my field trip in Budapest from mid-August until

December in 2012 with key informants. This type of primary data was very useful in going beyond the literature and in obtaining information about certain aspects of the projects which I would not have been able obtain otherwise. The interviews provided useful insight into the personal observations and experiences and put more flesh on the “raw data.” In order to reduce the risk of misinterpretation of the data and to obtain a greater completeness I employed triangulation. (Stake 1993:443, Arksey & Knight 1999:21) Rather than just gathering data from one particular group I sought out the views of several sets of stakeholders. In the first case, for example, I interviewed both CSO members and the spokesman of the airport who saw the 'noise-issue' from a very different perspective than the locals. Throughout the case I tried to indicate alternative ways the situation can be seen in order to give depth and breadth to the analysis.

In order to give more validity to my communication and to clarify my understanding of the environmental movement, the EEA and Norway Grants and state-civil society relations, I also consulted others than civil society members. My conversation with the representatives of the National Development Agency was especially useful to understand NGO's role in the partnership system of the EU Structural Funds and how state financing might compromise NGO's autonomy. The Norwegian Embassy's political and economic advisor provided valuable insight into donor-EU relations and how the grants contribute to Norway's image abroad. Veronika Móra, the director of the leading foundation which manages the Hungarian NGO Fund, gave me a good sense of the challenges environmental and other NGOs face today. Although I do not draw on all the interviews I had made, these conversations influenced my view on civil society and the grants to a large extent.

All the interviews were semi-structured, in the sense that the main questions were fixed and covered the relevant topic areas and themes (Arksey & Knight 1999:7). The interviews were structured around an interview guide which can be found in the Appendix. After establishing contact with the interviewees, I sent them the interview questions a few days ahead so they had time to think about the answers before the interview took place. I based most of the questions on the literature and tried to elicit replies which helped answer my research questions. I slightly altered the design of the questions along the way as new topics emerged. I interviewed my subjects once and each interview lasted an hour on the average. The interviews with the civil society activists focused on their projects, their feelings about success and failure, the importance of the financial assistance and more

general questions. The interview questions for non-civil society members was more tailor-made. I recorded the conversations with an audiotape and transcribed most of them afterwards. I took notes of the rest, summarizing the key points. The interviews were conducted in Hungarian but whenever someone is quoted in the study it is translated into English as closely as possible.

Looking back, perhaps I should have focused my questions more since I obtained lots of information which I did not use later at all e.g. which media NGOs use to reach their audience. On the other hand, follow-up interviews might have been useful but given the temporal confines of the field trip this was not feasible. Instead, I asked follow-up questions later on via e-mail if something turned out to be unclear during writing the cases. Forgetfulness of the subjects was another issue. Most of the projects were over in 2010 and I interviewed the CSO members during the autumn of 2012. My informants often did not remember all the project details but I filled these 'gaps' from the final projects report, which was sent to the grant-making foundation after the project was completed and summarized all their activities and results. Another challenge in analyzing the data was that many civil society members put their results in the best light. They wanted to win me for their cause but this “halo effect” often resulted in a biassed portrayal of the 'real' situation (Arksey & Knight 1999:152). I did not confront them on this but dealt with the information critically and checked it against other sources.

I started analyzing and interpreting the data after the field trip. In order to get a purchase on the huge amounts of data that I ended up with, I set up analytical categories according to Paffenholz and Spurk's main civil society functions: monitoring, advocacy and communication, etc. I categorized NGOs according to their main functions and looked at how the grants were helpful in realizing these functions. I chose those two NGOs for the case studies whose projects offered the most to learn from. I rendered two civil society theories to these functions: in the first case, Keane's theory corresponds to the monitory functions of the grassroots organization and in the second case advocacy and public communication corresponds with Habermas' theory on the public sphere and critical-rational debate. This way, the particular and empirically observable activities of the organizations could be elevated to and analyzed on a more general, theoretical level. The case studies thus bridge the gap between theory and practice and render often abstract and general observations about civil society and foreign assistance more factual and context-based.

The cases draw on multiple sources of data. Apart from the interviews my main sources were academic articles and books on various aspects of civil society and foreign assistance, newspaper articles, publicly available official information about the EEA and Norway Grants such as information booklets, guidelines, evaluations of certain program areas, white papers to the Storting, etc. Methodology books have guided me a lot from finding sources, through interviewing, until building up my text. The analysis in case one relies on multiple sources of data, such as the primary sources of interviews with key actors, participation in a community meeting, legal texts (judicial expert opinion and court verdict) and correspondence between the CSO and the airport and various state authorities. I also relied on secondary data such as literature on the theory and the homepage of the association. In case two I drew on an interview, the final project report of the NGO and secondary data such as literature on civil society theory, expert studies on Hungarian energetic challenges and information found on the homepage of the NGO.

I have to admit that the literature I read influenced the meaning I saw in the cases. Most literature was not without bias. I agree with Terje Tvedt who says that "Much of the published output in this field are (*sic!*) written either by reflective practitioners or by engaged academics wearing an activist or consultancy 'hat'." (Tvedt 2007:12) In many cases this leads to normative assumptions about characteristics of NGOs which they not necessarily have. There is a tendency to assign 'good' characteristics to NGOs: they are progressive, autonomous, they create engagement and they are able to deliver development and democratization objectives. (Tvedt 2007:13) I also met similar oversimplified views, often in donor-written texts as well.

During my fieldwork in Budapest I also attended conferences related to the topic. One of the conferences was organized by an NGO (Védegylet Protect the Future) on "Money, ethics and responsibility." Another one was an open day at a university where civil organizations held conferences on the recently passed legal regulations on the terms of employing volunteers and they also recruited applicants for their programs. A third one was an "Eco-day" organized by National Geographic where I attended a presentation held by a future informant. These conferences were decisive as I had the possibility to speak to activists personally and they gave me a good sense of what civil society actors are engaged in and what their challenges are. I attended another conference online which focused on Norway's image abroad and whose title was "Norway: Cold, Peaceful, Boring?" This

conference was very inspiring and gave me the idea to look into the background of the grants more thoroughly.

1.6. The Structure of the Thesis

The thesis is structured in five chapters. The goal of Chapter One was to introduce the main themes of the thesis, the EEA and Norway Grants, Hungarian civil society and the environmental movement. It presents two theoretical frameworks (Habermas, Keane), which will explore the relationship between these main themes in the case studies. It also discusses the definition of civil society and non-profit sector in order to clarify the use of these terms in the successive analysis. The chapter also contains the methods of research which detail the ways I obtained data in the specific cases, the sources I consulted and how I reached my conclusions.

Chapter Two presents the most relevant background information. Earlier foreign support to civil society and its met and unmet expectations serve as a backdrop to the EEA and Norway Grants. I introduce the EEA and Norway Grants, its foreign policy relevance and general effects on Hungarian civil society. Finally, I present the Hungarian environmental movement, its role in the democratization process and its changing roles and strategies after the transition. Although I focus on one sector of civil society – environmental NGOs – my study reflects the general challenges of the whole sector. The background is not purely descriptive, since the story of the environmental movement incorporates often recurring topics in the academic discourse on civil society, such as movement's role in the democratization process, the globalization of civil society, civil society's relationship with the state and the role of foreign assistance. The section on the foreign policy relevance of the grants and donor motivations is also analytical.

In Chapter Three, I introduce the first case about a grassroots organization which stood up for the interests of a community which suffers from the noise of the neighboring international airport of Budapest. When negotiations with the airport's management broke

down the NGO (together with another NGO) sued the airport. The grants contributed to the CSO's ability to monitor the noise levels in the area and to produce independent data that that challenged the airport's methods of noise measurement. I analyze the NGO's actions from the perspective of “monitory democracy”, a concept borrowed from Keane (Keane 2013). His theory highlights how these functions contribute to the improvement of democracy.

The second case constitutes Chapter Four. I analyze the activities of an advocacy NGO, which promotes sustainable energy solutions among policy-makers. With the help of the Norway grants, the NGO organized a series of conferences on sustainable energy solutions, where key representatives of business, public and civil sphere were present. The conferences lead to the professional development and wider recognition of the organization. Habermas's theory on the public sphere and rational-critical debate will set the NGO's policy improving strategies in high relief.

Chapter Five – the last part of the thesis – summarizes the conclusions drawn from the cases.

2. The “Regime of Goodness” and Civil Society in Eastern Europe

This chapter hinges on two main pillars. Firstly, the EEA and Norway Grants and the role the grants play in Norway's foreign policy. The focus is only on Norway since it provided the overwhelming majority of the grants. On the other hand, donor's assumptions about civil society's role in democratization is portrayed. Secondly, the trajectory of the Hungarian environmental movement's evolution will be sketched, its role in the democratization processes and its present situation. This background information is relevant for contextualizing and understanding the precedents of the impact of the grants.

2.1. The EEA and Norway Grants

The EEA and Norway Grants is a state-to-state developmental assistance, a contribution of Iceland, Liechtenstein and Norway “to reducing economic and social disparities and to strengthening bilateral relations between 15 EU countries in Central and Southern Europe” (EEA and Norway Grants 2012).[6] The EEA and Norway Grants was set up in 2004, as part of the EEA Agreement, which brings together the 27 EU member states and the three EFTA states in the EU's internal market.[7] The EEA Agreement is the most important economic alliance between Norway and the EU and it is a cornerstone in determining Norway's relationship with the European Union (Norwegian Ministry of Foreign Affairs 2009:8, Polgár interview:16.11.2012). Since the European Commission belittled the financial contribution linked to the EEA Agreement the European Commission and the EFTA countries agreed that Iceland, Liechtenstein and Norway would contribute more to the

6 The fifteen EU states are as follows: Bulgaria, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, Spain, Portugal and Greece. Bulgaria and Romania joined the EU in 2009.

7 The EEA Agreement, which was signed in 1994, also covers cooperation in other areas than economic relations, such as education, justice, tourism, social and environmental policy. (EFTA 2013)

budget available for development projects within the EU. As a result, the EEA and Norway Grants was set up (Værnes 2010:15). According to the official standpoint, the EFTA states had no legal obligation to establish such a financial mechanism and donors stick to the interpretation of the grants as a voluntary contribution to the common good (Polgár interview:16.11.2012). However, many consider the grants to be a *de facto* membership fee for being part of the internal market and which also constitutes the financial basis of the grants (Værnes 2006:15).[8]

The EEA Agreement goes beyond strengthening economic relations since it also reflects the EFTA states' commitment to take a responsible and an active role in creating Europe's common future. Since the expansion of the EU in 2004 and 2009 brought a 20% increase in the EU's population but only a 5% increase in its GDP, Norway, Liechtenstein, and Iceland felt responsible for alleviating the disparities in Europe through the establishment of the grants (EEA and Norway Grants 2012). It was not difficult to find areas where there was a clear need for funding in the newest member states. Although all of the former state socialist countries are fully fledged democracies now with functioning market economies, transition in other areas was much slower. In many aspects, Eastern Europe still lags behind Western Europe, let alone Scandinavia. Environmental protection and sustainable development were the dominant priority areas of the grants in the first programming phase (2004-2009): substantial amount of funding was targeted at projects of energy efficiency, renewable energy use, green industry innovation, wastewater management and the protection of biodiversity. The protection of European cultural heritage was another major area of funding and the two priority areas together accounted for half of the support in Hungary. (EEA and Norway Grants 2012) The grants contributed to such large-scale projects as the renovation of unique historical buildings like the Basilica in Pécs and the Matthias Church in Budapest. Within the environmental sector, the establishment of a zero-emissions conference centre was among the major achievements.

These “hard” (infrastructural) projects were accompanied by “soft” (non-infrastructural) projects as well. Health- and childcare, and research and scholarship were also prominent areas, the latter for example provided opportunity for 400 students to study in Iceland, Liechtenstein or Norway. Fostering Roma inclusion was payed special attention

8 The benefits of setting up an individual financial mechanism is that it makes donor countries' contribution much more visible than paying the same amount into the common EU budget. They can also vindicate their development priorities more within the grants.

to and the establishment of the European Roma Special College of Music aimed to reach this objective. (EEA and Norway Grants 30.11.2012) The allocation of funds to these programs was negotiated bilaterally between the donor states and the beneficiary states so they reflect both Hungary's needs and the donor countries' interests – for example, the donor's pronounced emphasis on fighting climate change. Partnership was specifically encouraged in carrying out the projects in order to strengthen contact and cooperation between the donor and beneficiary countries. In the first period (2004-2009), almost 30% of the projects were implemented in cooperation with EEA partners, mainly from Norway, especially in the field of academic research and human resources development. Strengthening bilateral partnerships is even more emphasized in the second five-year period, where the programs will be agreed upon by taking the scope for cooperation into consideration (EEA and Norway Grants 11.04.2012).

The priority areas are also harmonized with wider European goals: the size and the distribution of the grants through the five-year periods have been agreed between the three EFTA states and the EU. However, donor states aimed to fill those 'gaps' that other EU funds have not covered before in order to be able pursue their own strategic aims and to avoid double-financing the same area. The management of the programs was designed in a similar way to the regulations set for the EU funds, so that application would not require setting up a new system and pose new challenges to applicants and beneficiary state's institutions (Polgár interview:16.11.2012, Pitija 2010:34). The grants were hugely popular in all beneficiary countries since it was available to a wide range of applicants for whom EU sources were not (EEA and Norway Grants 2011:5). The application process was reported to be much less bureaucratic and more flexible than that of the EU funds which also made the grants widely popular and accessible.[9]

9 As far as the grant's organization is regarded, the donor states and Hungary closely cooperate on all levels: from choosing the project until its implementation. At the highest level, the National Development Agency represents Hungary and has the overall responsibility for reaching the objectives of the grants. The task of awarding funds to projects and to follow up on their implementation is given to so-called 'program operators' within each program area. These are usually public institutions and they often cooperate with the donor partners. The decision-making authority for the grants is the Financial Mechanism Committee, which consists of the representatives of the donor's ministries of foreign affairs. The decision-making authority for the Norway Grants is the Norwegian Ministry of Foreign Affairs. The Financial Mechanism Office – seated in Brussels – is the secretariat of the EEA and it manages the day-to-day operation of the grants and reports to the foreign ministries of the donors. (EEA and Norway Grants 23.05.2012)

2.2. Support to Hungarian Civil Society

Between 2004 and 2009, 97% of the total amount of the EEA and Norway Grants, €1.3 billion, was provided by Norway. The funds were divided between the beneficiary countries according to their population and GDP per capita making Poland the largest beneficiary state followed by Hungary where €135 million was distributed. (EEA and Norway Grants 2011:15) The donors specifically targeted those areas that slipped under the radar of EU funding and where there were still "demonstrable needs" for support (EEA and Norway Grants 11.04.2012). Strengthening civil society and the development of NGOs was payed special attention to all over the region. In Hungary, the NGO funds were enormously popular since the whole non-profit sector is critically underfunded and most civil society organizations are forced to operate with shoe-string budgets. The financial situation of NGOs has never been particularly strong, but recently – especially in 2011 – they experienced unprecedented financial difficulties: there was a decrease in state funding as the state reduced its support and cancelled contracts with major service provision NGOs; the deteriorating economic conditions further hindered NGOs self-financing efforts and philanthropic donations; and international funds have long been ebbing as major donors either stopped operating in the area or gradually phased out (such as the Soros Foundation or USAID which left the region when the EU started to increase its funding in the mid-1990s). The EU had very few calls for proposals which were available for civil society organizations and the allocation of funds was repeatedly delayed, causing downsizing and even bankruptcy among previously well-established organizations. (Oriniaková 2009:26, USAID CSOSI 2011:88) A large number of CSOs are still dependent on government funding despite the fact that many began using fundraising tools besides proposal writing (USAID NGOSI 2009:113). The NGO Fund was also very popular since it had a very high funding intensity – NGOs only had to cover 10% of the project expenses (Pitija 2010:30).

Although the volume of support dedicated to the non-profit sector was relatively small considered to state funding, surprisingly it still meant the second biggest financial source for Hungarian NGOs (EEA and Norway Grants 2011:15). €6.5 million was channelled to civil society projects through the Hungarian NGO Fund in order to strengthen

civil society's development.[10] The funds supported four areas: social cohesion and youth protection, capacity-building, cultural heritage and sustainable development. The NGO Fund, which encompassed 'mini' projects of €5-25.000 to €25-80.000 'mega' projects, was one of the most visible contributions of the donors and it was evaluated as one of the most successful as well (Pitija 2010:16-17). Another aspect of the NGO Fund which made it efficient, was that it was (and still is) managed by a consortium of four NGOs and not state institutions as in most program areas. This contributed to a more flexible fund management, as the foundations were not bogged down with cumbersome bureaucracy that characterizes state institutions (Pitija 2010:34). The leader of the consortium was an long-established American-initiated ENGO, called Hungarian Environmental Partnership Foundation.[11] Through its defining role in the Hungarian environmental movement and long experience in grant-making, the foundation was familiar with CSOs challenges and could effectively support them. Distributing grants through local CSOs fits into a wider trend: as donors increasingly recognize the limited contextual knowledge on civil society in beneficiary countries, they prefer channeling money through local NGOs in order to increase effectiveness (Heinrich 2004:2). As it turns out form the feedback of grant-winning ENGOs, they very much appreciated the grant-making foundations professionalism, helpfulness, flexibility and prompt responsiveness during the whole project cycle (Pitija 2010:37).

2.3. Development Assistance and Foreign Policy

There is abundant literature on development assistance written from the perspective of the beneficiaries. While much is said about the 'effects' and 'results' of assistance in the beneficiary countries, the wider context of international relations which produces the *raison d'être* of assistance is often left out of the picture. What relevance does development assistance have from the perspective of the donors? What are the driving forces of

10 The fact that the NGO Fund represented only 6% of the total budget is not indicative of its significance. Unlike large-scale infrastructural projects, civil society projects do not require huge inputs of capital in order to achieve important goals.

11 The Environmental Partnership program for CEE was funded and coordinated by a consortium of donors led by the German Marshall Fund, US government-funded Regional Environmental Center and the Rockefeller Brothers Foundation (Ertsey 2000:85).

international development assistance policy? Are the objectives altruistic or subject to economic and political interests? What do donors want to achieve and why? Are decisions on development policy rooted in domestic politics or are they internationally driven processes? In this section, I will try to put the EEA and Norway Grants into context by examining the main motivations behind it. The focus is on Norway since this country provides a great bulk of the assistance.

It is a widely accepted view in international relations that aid and development assistance are elemental parts of donors' foreign policies (Moravcsik & Haggard 1993, Van Rooy & Robinson 2000:45, Hopkins 2000:338, Stokke 2005:33, Encarnación 2011:4). Questions about donors' motivations have traditionally been approached from two main perspectives in international relations theory: realism and humane internationalism. These competing paradigms explain development assistance as part of a nation's foreign policy in different ways (Stokke 2005:38).

The *realist* school of thought dominated the analysis of international relations during the post-WWII era when aid was seen primarily as a means of pursuing the national interests of the donor country. Security and economic interests rank highest in the motivation to give aid but ideology may also be an important factor, such as fighting communism (Stokke 2005:38-39). For example, US foreign aid streaming into Eastern Europe in the 1980s and 1990s was determined by foreign political considerations since aid was considered to be another weapon in the global ideological clash (Moravcsik & Haggard 1993, Hopkins 2000:331, Stokke 2005:40). The realist theory, however, was found to be a limiting explanation primarily because it placed an unduly focus on individual states and ignored interactions between them. Today an increasing role is played by international organizations in defining development aid policy. There are no doubt altruistic motives that underly aid packages as well (Stokke 2005:39). *Humane internationalism* (a concept attributed to Cranford Pratt) thus proposes that the main determinant of development policy has been fundamentally altruistic values which often stem from donors' domestic norms (Stokke 2005:40). This paradigm supposes that citizens of industrialized countries have a moral obligation towards people beyond their borders. The aim is an international society which is based on equitable economic relations, provides basic subsistence for every human being[12] and where the respect of human rights prevails. Such ethical obligations are also

12 Accordingly, Norway's main objective in its aid policy in the global south has been poverty eradication

considered to be long-term interests for most donor countries since they contribute to international common goods such as enhanced equality, social justice, stability and peace, improved health and environment (Stokke 2005:42). Humane internationalism is especially prevalent in Western European and Scandinavian aid and development policies. In these countries the ethics of solidarity – which is the heart of social democratic thinking and the ideological basis of the welfare sate – sets the agenda. Several of the most generous providers of development assistance (especially Scandinavian countries) had governments based on a Christian and social democratic tradition.[13] (Stokke 2005:41) Thus realist paradigms fail to capture these altruistic features of development cooperation, which is an integral part of donors' foreign policy (Stokke 2005:41).

2.3.1. The EEA and Norway Grants – Realist Theory

If we want to place the EEA and Norway Grants into this ideological context we find that the processes and justifications for setting up the grants were characterized by a blend of altruism and self-interested *realpolitik.* A look into the negotiation processes which preceded the EEA and Norway Grants gives us a clearer picture of what practical and material factors contributed to founding the grants.

Although Norway is not a member state of the EU, it is closely associated with it through its membership in the European Economic Area (EEA) in the context of being an EFTA member. The EEA Agreement grants Norway access to the EU's internal market while the country is to adopt most EU legislation related to that market. The EEA Agreement, which was established in 1994, brought together the member states of the EU and the three EEA EFTA states of Iceland, Norway and Liechtenstein in a single market where the free movement of goods, services, people and capital is guaranteed. (EFTA 2013) The EEA EFTA countries thus enjoy free trade with the EU but in exchange they provide a

through the 'basic needs strategy' (Tvedt 1998:46).

13 Many program areas of the EEA and Norway Grants can be associated with prominent elements in the Scandinavian welfare state. For example the program named “Decent work and tripartite dialogue” is a very prominent area of Scandinavian welfare policies. The program is carried out together with a Norwegian partner institution and its pronounced aim is to transplant such practices in Hungary (Polgár interview:16.11.2012).

certain negotiated sum to the EU. Since 1994 until 2003, Norway's contribution has been relatively modest compared to the benefits of being part of the internal market (Værnes 2006:15). In 2003, one year before the ten newest member states joined the EU – and thus the internal market – fierce negotiations began between the EU and the EFTA countries on the conditions of the extension of the EEA: Iceland's, Liechtenstein's and Norway's share of contribution was the main issue. Since these countries do not bear all the financial burdens of EU membership to the same extent as EU member states, the European Commission put pressure on them to contribute to reducing the economic and social disparities in Central and Eastern Europe. (Værnes 2006:15) Interpretations of the yearly contribution differ: while the EFTA states stick to the interpretation of the grants as a voluntary interstate contribution to the common good – and not a binding yearly fee (Polgár interview:16.11.2012) – this *de facto* membership fee does constitute the basis of the grants (Værnes 2006:15).

Norway's trade is highly dominated by the EU, primarily in terms of energy supplies and seafood export (Norwegian Ministry of Foreign Affairs 2009:2). After Baltic and Central-European countries joined the EU, export to these countries grew more than export to the EU as a whole (UD 2012:13). Although fish exports to accession countries amounted only to a fraction of total exports in the early 2000s, these markets have a big growth potential and there are important fish processing industries in these countries. Trade between Norway and the EU in fish and seafood is regulated in a separate protocol to the EEA Agreement and Norway had had lucrative agreements with the accession countries before 2004. As a consequence, the main aim of Norway during the negotiations on the extension of the EEA was to secure as good fish exporting conditions which it had enjoyed before. Norway even offered to pay more into the grants, in order to improve its export conditions. Norway's main demand was to ensure that it can export fish to the EU markets free of customs – arguing that a new customs barrier on fish would be against the WTO regulations. (Værnes 2006:18)

But Norway's demands were crushed in Brussels. The EU – a tough and unrelenting negotiation partner – was not willing to consider money and fish issues as related and it argued that the benefits of reaching new markets was a considerable advantage in itself for the EFTA countries. The EU's standpoint was that it was high time EFTA countries took a share in the EU's efforts in filling up socio-economic gaps between Western and Eastern

Europe and contributed on par with the 'old' member states. (Værnes 2006:10) The EU wanted the EFTA countries to dig deeper in their pockets because the advantages of taking part in the internal market became bigger with the EU's expansion than their usual contribution (Værnes 2006:31). The EU was playing out the card that the rule of "contribution according to capability" (*betaling etter evne* in Norwegian) should apply for everyone. This argument resonated well with Norway's fundamentally social-democratic conscience. Some pointed out that the size of Norway's pension fund – amounting to a double of the total EU budget in 2006 – and the fact that it had no sovereign debt made it difficult for Norway to evoke sympathy about its demands of custom free fish (Værnes 2006:51).

Norway went along with the EU demands and showed willingness to pay since it did not want to be perceived as a free-rider in its Europe policy (*Europapolitikk)*. It is very likely that Norway also wanted to demonstrate that it could use its oil revenues on building democracy and welfare in the poorer countries of Eastern Europe (Værnes 2006:28). However, Norway refused the sum to be calculated as other EU states' contribution to the Structural and Cohesion funds or with the moneys being directly transferred into the Structural funds budget. The reason for this move was Norway's aim not lose its own supply partners – e.g. Norwegian firms, state institutions – in the partnership projects which are based on cooperation between Norway and Eastern European countries. (Værnes 2006:46) The importance of partnerships is increasingly emphasized within all the program areas (EEA and Norway Grants 2011:8). Partnership does not only buttress closer foreign relations between the donor and beneficiary countries but provides business opportunities for Norwegian state institutions and business organizations as well. Viewed through neo-Keynesian glasses, one could argue that the 'partnership principle' is a donor strategy to generate demand in their own economies and to subsidize the contract of national firms and businesses through the partnership projects. Hopkins argues that virtually all donors link aid to domestic exports either for commodities or for services such as technical assistance (Hopkins 2000:340). He also identifies powerful domestic coalitions, firms and sectors as one of the main shapers of foreign assistance, who see foreign assistance as a way to expand their incomes. Consequently, these powerful groups in the donor states lobby and influence assistance policy in order to favor them (e.g. farm sector support of food aid which is most evident in the United States). I will not speculate on whether the grants have been

manipulated for such strategic and commercial purposes; I only point to the fact that it was an outcome of bargaining between the EU and the donor states.

Due to time pressure – the parallel expansion of the EU and the EEA was important for Norway in order to avoid technical hiccups in trade – and fierce demands of the EU, Norway had to go along with increasing the amount (Værnes 2006:45). Although a rather unrealistic scenario, the EU even threatened Norway to dissolve the EEA if it does not agree with the amount (Værnes 2006:41).[14] Since Norway was unsuccessful in trying to convince the other EFTA countries to go along with the increased amount it decided to set up its own grant alongside the common EFTA grants. This way Norway could raise the amount without engaging in financial conflicts with Iceland and Liechtenstein. The result of this emergency solution was that two grants were established: the EEA and the Norway Grants – both similar in size and aims (Værnes 2006:38).[15] This was a clever move was well, because the Norway Grants made Norway's image more visible in Central Eastern Europe and contributed to its good reputation.

Summing up, the nature of the negotiations seems to suggest that the grants are not a direct result of Norway's overbrimming solidarity with Eastern Europe. It highlights the fact that assistance is rarely set up for purely altruistic motivations. True, there was goodwill at the beginning but mere goodwill does not explain the tenfold increase in the final amount. Some observe that the EEA Agreement finally put Norway in place after having had enormous benefits from a community it had no intention to be part of and that it finally struck a balance in the accounts between the EU and Norway. (Værnes 2006:43)

2.3.2. Enter Humane Internationalism

14 There are several reasons why Norway ended up paying ten times more than before. First, 'old' member states were unified in supporting the European Commission's sky-high demands for Norwegian contribution since this lessened their own burdens. Second, the negotiations were characterized unbalance power relations, since the three EEA countries were outnumbered by the 27 EU countries ("The EFTA is like a mouse meeting and elephant that suffers form growth pains" – Hans Kr. Amundsen cited in Værnes 2006:24). Third, there was a misunderstanding about the aims of the negotiations: while Norway wanted to secure good fish agreements, the EU was more focused on the financial aspects. This led to the fact that the EU called the tunes and almost unilaterally dictated the conditions. (Værnes 2006:23-27)

15 The Norway Grants correspond more with Norway's geopolitically strategic areas such as border control, environmental protection and legal protection.

It would be unjust to interpret the EEA and Norway Grants as the outcome of political bargaining based primarily on power and material factors. Assisting in the consolidation of democracy and evening out economic differences is one of the noblest deeds a country can do for another. However lofty donors' rhetoric about European solidarity might be, it should not be underestimated. Cynical realist explanations always suppose a self-interested intention that justifies international behavior and suggest that altruism has only been a second motivation at best. But even if the Norway Grants were an outcome of international obligations or necessities, it cannot be denied that the money was put to a good purpose.

Norway – similarly to the Nordic aid regime of the group of like-minded countries – has always aimed to improve global welfare. Being a small but wealthy country the development assistance it offers to less fortunate nations is seldom viewed as pursuing a self-serving national agenda. Norway is well-anchored in the North American and European political structures and has a positive attitude towards international cooperation and is committed to following up its international participation with a fair share of financial contribution. Norway has a strong tradition of independence and national sovereignty and thus international law, the rule of law and global solidarity play an important role in its international policies. The same applies to promoting and protecting human rights obligations and the rights of national minorities. (Kothbauer-Lichtenstein & Kongshem 2005:90) Norwegians have a long-established record as consensus builders, problems solvers, peace facilitators (eg. Sri Lanka, Columbia, Sierra Leone, Eritrea, Etiopia, Somalia, Guatemala, Palestine) and Norway is amongst the largest per capita contributors of development assistance, humanitarian aid and poverty reduction programs even in times when other countries significantly cut their own aid budgets (Tvedt 1998:112). In 1973, the Norwegian Parliament set 1% of the country's GNP as the target of official development assistance and this amount has been over-performed many times afterwards (Stokke 2005:452). Development assistance has a great importance in national politics as well and it stands high on the political agenda. As has been pointed out by Nina Witoszek, the "Norwegian regime of goodness" is not just a "regime": it is part of national identity and national mythology. There is a long tradition of virtuous and adventurous deeds which supports it, stretching from Wergeland, through Bjørnson and Nansen and on to Thor Heyerdahl and Arne Næss (Witoszek 2012).

The donors are well aware of the economic and political challenges that post-

communist countries are facing today. The financial crisis hit CEE especially badly and resulted in harsh austerity measures, reduced welfare, slow economic growth and unemployment. These especially affected already vulnerable layers of society: youth, minorities and those without any safety nets. Cuts in the state welfare created differences and contributed to social marginalization. This, in turn, weakened people's trust in democratic institutions and created a hotbed for xenophobia and extreme nationalistic agitation. (UD 2012:5) Symptoms of social and economic troubles included a series of racially motivated, organized attacks on Roma people in the northeastern region of Hungary which resulted in six Roma being murdered in 2008 and 2009. In the 2010 elections, an anti-Semitic and anti-Roma right-wing party won 16% of the votes as it skillfully exploited rising social tensions. (The Economist 08.04.2011)

There has been a growing alarm about the centralization of power under the ultra-conservative populist party *Fidesz.* Since it won an unprecedented two-thirds majority in Parliament in 2010, it has embarked on a power grab taking over almost every independent institution. *Fidesz* allies have been appointed to various prominent posts, such as the presidency, the State Audit Office, the State Prosecutor, the new fiscal council, and the new National Courts Authority among others. (The Economist 19.12.2011) The legislation on media regulation drew the ire of international observers as party nominees have been elected to all seats in a new powerful media council, threatening the independence of the media and the principle of pluralism. A report made by Freedom House on the freedom of the press in 2012 singles out Hungary as a country whose performance sharply deteriorated in 2010 and for the first time classified press as “Partly Free” after a long period (Freedom House 2012). Markets have also been rattled by the government's erratic economic policies as it imposed crisis taxes on big business, fought and turned down IMF alarming foreign investors. (The Economist 30.06.2010) The government has raided and nationalized private pension funds and scrapped the fiscal council which provided independent oversight of the budget.

Until now, the only body that has kept Orbán at bay was the central bank but the bank's governor has recently been replaced by the former economics minister, a close ally of Orbán. Rewriting the constitution also caused widespread outrage. Its content has been a subject of controversy, since it curbs the Constitutional Court's judges authority to rule on matters of substance – from now on it can only rule on procedural grounds. These measures

opened the door for the government to use the constitution to pass new laws that the Constitutional Court otherwise might have rejected such as provisions that allow local governments to penalize the homeless or to force state funded university graduates to work in Hungary after graduation. For now, the disapproval of the international community is of little concern to Orbán since he knows that the EU can do little but to suspend Hungary's voting rights or fine the country. (The Economist 16.03.2013) All these events left a bitter mark on civil society which showed little capacity to deal with the challenges (USAID NGOSI 2010:111).

As many other foreign donors which channelled resources to Eastern-European civil society before and after the fall of the communist regimes, Norway also recognized the need to address the danger of these anti-democratic polices. It was an important aim for Norway to support civil society and to 'feed' watchdog organizations which act as guardians of democratic norms in order to counterbalance political life (Polgár interview:16.11.2012, UD 2011:11). For Norway "an obvious challenge is the development of an active civil society which is a measure of democratic standards, a corrective to parliamentary democracy and an arena for a wider popular participation in political processes" (UD 2012:11). In the light of these deteriorating trends it is not questionable why 'solidarity' became the main slogan, the *epitheton ornans* of the EEA and Norway Grants. "Solidaritet og samarbeid i Europa" (Solidarity and cooperation in Europe) expresses the donors' empathy and idealistic commitment to support the less developed countries of Europe (UD 2012:5).

Norway – contrary to Hungary – has a long tradition of cooperation and mutual trust between the state and civil organizations (Tvedt 1998, Sivesind et al. 2002, Csaba 2007) which explains why Norway is so sensitive about the "health" of civil society in Hungary.[16] This symbiotic relationship is often referred to as the 'Scandinavian model': the institutionalized system of negotiation and collaboration between the state and organized interests. Norwegian voluntary organizations (*stiftelse, forening*) and social movements are historically deeply rooted in Norwegian society and played an important role in the development of its civil society. Membership organizations are often modeled after or connected to the organization of social movements which were the first "schools of

16 The symbiotic, collaborative relationship is most evident in Norway's development and aid policy where NGOs take the leading role. Aid policy is deeply integrated into foreign policy administratively and politically as the Norwegian Government initiates, contracts and supports NGOs in several (mainly developing) countries to carry out aid programs (Tvedt 1995:112).

democracy" in Norway (Csaba 2007:220, de Tocqueville cited in Warren 2011:6). The strongest of them, the labour movement, was closely connected to the Labour Party and fought for social inclusion and interest representation; others fought against poverty, alcoholism or the promotion of rural culture and language (Bull 2007:70). Non-profit organizations, similarly to former social movements, are also characterized by hierarchical structures and democratic decision-making at all levels (Klausen and Selle cited in Csaba 2007:211). The movements have consisted not of one but a whole network of organizations and as such, contributed to trust and social networks, in one word 'social capital' (Bull 2007:70).

Norwegian civil organizations not only have their root and inspiration in social movements; the popular mass movements, most importantly, have also defined the corporatist characteristics in state-society relations. A broad system of interest representation was established after WWII by the state in alliance with civil society organizations and this is still a hallmark of Norway's governance. At the base of corporatism lies the popular belief that the state is a force of good intentions and good governance and represents general interest above any special interest (Bull 2007:70-72). Might this have been the ideal donors would like to see in Hungary? Such consensus between the sectors and a close cooperation and partnership with the state lack historical antecedence in Hungarian state-society relations and political culture (Móra interview:08.10.2012). Although there is historical evidence for cooperation as well as opposition between the state and civil sphere in Hungary, civil society has most often been defined as a counterforce to the state (Bruszt 2003, Kuti 2008:6-9).

Civil society organizations in Norway are also integral part of cultural traditions which is reflected in their extensive membership bases.[17] It is a widely shared view among Norwegians that it is important to belong to an association since it is considered to be a personal manifestation of democratic attitude (Csaba 2007:229, Sivesind et al. 2002). Because of these factors it is no surprise that Norway is especially sensitive to and committed the well-being of Eastern European civil society. An active and virulent civil society is both a space of negotiation and collaboration between society and the state, and

17 As much as half of the Norwegian population devotes its time to voluntary work. Norwegians have an even stronger penchant to join organizations as members: the total number of membership is 8.4 million which equals more than two per person (Sivesind et al. 2002:39). In Eastern Europe, as well as in Hungary, membership and participation in voluntary organizations is extremely low (Howard 2011:2).

ultimately, a dividend of democracy. It is an empirical fact that Nordic countries, including Norway, have come close to a well-functioning democratic corporatist system which is characterized precisely by the routinized institutions that connect state and society – be it organized interest of trade unions or voluntary organizations. It is a form of governance which is open to political input from society, which in turn safeguards the creation of a national community and social welfare (Trägårdh 2010:11). These routinized institutions of collaboration and high levels of trust in the state, however, are not prominent features of state-society relations in Hungary.[18]

Norway's own understanding of the role and importance of civil society most probably underscored the support offered Hungarian NGOs. Civil society organizations are desirable and 'appropriate' agents in tackling societal and policy challenges and they promote fundamental European values like democracy, the rule of law, human rights, social justice, tolerance and anti-discrimination. The recognition of civil society's role democratic role in creating civic engagement, participating in politics and raising people's awareness must have contributed to doubling the amount of assistance to Hungarian civil society from €6 million to €12.6 million in the next five-year phase between 2009 and 2014 (EEA and Norway Grants 17.04.2013).

In this sense the grants are essentially a humane and altruistic transfer of resources to governments, not because Norway wishes to see any kind of return on its money or because it wants to exert any kind of influence. This is also proved by the fact that there were no strings attached to the grants and they were provided on highly concessional terms. In this reading, the EEA and Norway Grants was not manipulated for strategic and commercial purposes as realist theories would argue.

2.3.3. Synthesis

The literature on Norway's development policy (especially in developing countries) is

18 The closest we get to a collaborative relationship in Hungary is within the social service providing organizations, which take over public responsibilities from the state. Although cooperation is close, the relationship is characterized by civil society actors dependency on and conformity to the state (Kuti 2008:34).

ambiguous on Norway's motivation. Both Tvedt and Stokke argue that the political aim of Norway in development cooperation has been to further foreign policy interests but they also agree that Norwegian aid has only marginally been influenced by national or economic self-interest. Furthering Norway's interests has been just as important as long-term international common goods like peace, stability, improved health and environment (Stokke 2005:451). Tvedt argues that while aid has traditionally been regarded as a non-political affair due to the neutrality paragraph, from the 1990s on this 'naïve' approach – meaning the pure moral obligation to help – increasingly came under attack as politicians started to argue that aid should also serve Norwegian business interests and help strengthen Norway's global image as a superpower in democracy promotion (Tvedt 1998:104). Stokke argues similarly: while in the 1970-80s 'own' Norwegian norms were dominant – altruism, primary concern to help poor people, no strategic or economic interests, untied grants, large share of aid going through UN thus removing the flag of the donor – in the 1990s, many of these became less pronounced. Although altruism remained the most powerful incentive, instrumental justifications were also brought forward, like promoting good image abroad (Stokke 2005:485). Aid increasingly became a high-profile tool in the foreign policy of Norway. These double objectives are expressed in a recent conference on Norway's image abroad by the Norwegian foreign minister Espen Barth Eide, who said that foreign development assistance is just as much a “feel-good” factor as a contributor to Norway's strategies of being a long-term, reliable and serious partner of the EU. This might not not open all doors, but it opens some. (Barth Eide 29.11.2012)

Værnes also points out the double motives in the Norwegian government's communiqué in connection with the results of the negotiations between Norway and the EU on the final amount of the grants: first and foremost, it is politically and socially responsible, and morally right to contribute to the evening out of the disparities of a formerly divided Europe. On the other hand, Norway cannot oppose the EU's demands for higher financial contributions if it wants to continue to be a member of the internal market. This raises the question whether the heavy rhetoric on solidarity is only paying lip service to it in order to cover up for the fact that they were forced into a situation where they had to pay anyways? (Værnes 2006:2)

Foreign political doctrines aside, whether intentionally or unintentionally, the EEA and Norway Grants has definitely achieved two things: it contributed to the globalization of

civil society and it made Norway more visible internationally. Norwegian NGOs have for a long time played an active role in humanitarian and development aid abroad, especially since the 1980s, when most Western states started to delegate functions and services thus power to NGOs (Tvedt 1998:48). The introduction of NGOs into the field of development and the subsequent growth of the non-profit sector was brought about by conscious government decisions in order to *internationalize* Norwegian civil society (Tvedt 1998:46). Through the EEA and Norway Grants Norway became the second biggest supporter of Hungarian civil society and this has several implications. The Norway grants are yet another manifestation of the globalizing tendencies of civil society: just as resources have been channeled through Norwegian NGOs working in developing countries, resources are now channeled to Hungarian NGOs. This shows that social relations which formerly used to be defined within Hungary and were confined to territorial borders are now stretching across borders. State boundaries are not a limit any more and social interactions stretch across vast geographical distances, creating a "society of interlocking societies" (Keane 2004:17). This is the first, geographical implication.

Secondly, the EEA and Norwegian Grants is unique in a sense that it makes Hungarian NGOs – within the context of the financed projects – accountable to the Norwegian Foreign Ministry and the government and in a wider sense to Norwegian tax payers whose tax contributions form the basis of the grants. This is unique, in the sense that NGOs are partly sustained by another nation than their own. This phenomena further blurs the line between national and global levels. Thirdly, through the partnership projects, cooperation between Norwegian and CEE civil society organizations is made possible.[19] Through bilateral relations among Hungarian and Norwegian NGOs, through study trips and internships in the donor countries, their experiences and opinions are exchanged, good practices are transferred and new ideas for solving problems are shared. This contributes to the homogenization process that is already on the way in civil societies. Through sharing technical and strategic information, coordinating activities and planning joint actions, civil society organizations adjust to each other, engage in organizational learning, start using the same rhetoric and gradually become more and more similar to each other (Tvedt 1998:213).

All nations are preoccupied (or should be) with their image abroad and in the rapidly

19 Although there were no civil society partnership projects in Hungary in the first phase, in the next phase there is special emphasis on strengthening bilateral relations.

globalizing world all nations want to stick out as special, authentic or best in certain areas. Development assistance policy has recently become a conscious tool in shaping Norway's international image, a country whose oil fortune and social democratic welfare system are well known. Norway's image is not as uncontroversial as one might think. Being one of the biggest oil exporters in the world, it is also a pioneer in green technologies (e.g. carbon capture and storage, osmotic power plant) and sustainable development has been a key feature of Norway's development strategy since the 1980s (Stokke 2005:461). While Norway is registered as a nation of peace (Nobel Peace Prize, peace brokers) it is the biggest per capita exporter of weapons and its role in Afghanistan and Libya has been controversial. We might speculate about the motivations behind the grants: does Norway have a bad conscience about something that this rich nation tries to compensate for? Or whether the grants are part of a healthy ambition to put Norway on the map? These questions will not be answered here, but Anne Kristin Sydnes's comment might be useful for orientation: “The development policy also counteracts a picture of Norway as a country where self-interest, materialism, and egoism rule the ground” (cited in Stokke 2005:452). What is safe to say is that keeping official development assistance at a fairly high level has been part of the image building strategies of changing governments – both for domestic (i.e. self-image) and international consumption (i.e. reputation) (Stokke 2005:481). Today, the grants mean by far the most important diplomatic relation between Hungary and Norway and the Norwegian embassy in Budapest deliberately uses the grants as a promotional tool in order to associate Norway with generosity, reliability and solidarity and turning the Norway Grants into Norway's face abroad (Polgár interview: 16.11.2012).

2.4. Foreign Assistance + Civil Society = Democracy?

When we talk about civil society in Eastern Europe, it is impossible to avoid comparisons with the period of transition when the concept of civil society raised domestic and international hopes about a new form of politics: democracy (Celichowski 2004:71). The role of external assistance is important to be mentioned here as it informs us how former foreign donors' efforts lived up to civil society actors' and their own expectations in

contributing to democratic practices. On the other hand, the fact that earlier foreign donors made similar claims about civil society's role in the democratization process as the EFTA countries do today, necessarily prompts a parallel between them.

The reason for the boom in the numbers of civil society organizations in the 1990s can only partly be put down to the fact that the first laws of political transition reinstituted the legality of foundations and associations, making free assembly and association possible (Cohen&Arato 1992:64, Móra 2012:159). The unprecedented amount of international financial support that streamed into the country in the wake of the collapse of the Soviet Union, specifically targeted civil society and has been an important propelling force in its development. The 1980s was a global *renaissance* of civil society. The boom in the number of newly established organizations in Eastern Europe coincided with the 'associational revolution' in Western liberal democracies, where the crisis of the welfare states, the symptoms of a hollowed-out democracy and the dissolution of the politically bipolar world made the concept of civil society attractive (Tvedt 1998:1, Edwards 2011:11). In Eastern Europe the idea primarily expressed peoples' aspirations for economic and political freedom. After a 45-year hiatus, civil society held out the promise of free, democratic, open societies (Howell & Pearce 2001:15).

As CEE faced the double challenge of a simultaneous transition to market economy and pluralist democracy, the idea of civil society was propelled into Western political and foreign aid discourses. By far the biggest provider of civil society assistance was the USA, as it channeled resources through a number of government agencies (USAID via its partner organizations), NGOs (Amnesty International) and foundations (Mott Foundation, Ford Foundation, Rockefeller Brothers Fund, German Marshall Fund and Soros Open Society Foundation) (Kuti 2007:188). Donors saw civil society, especially non-profit organizations, as essential ingredients of democratization (Ertsey 2000:88). Donors were eager to import new practices, transfer knowledge, introduce new patterns of behavior and build new civil society institutions. There were many reasons why donors were so enthusiastic about Eastern European civil society. Firstly, donors believed, on a normative basis, that the existence of vigorous civil societies is a precondition for the fledging liberal democracies. They saw a strong civil society as a cornerstone of democracy, “good governance”, pluralism and the achievement of important social and economic goals (Edwards 3:2011). After the collapse of the Soviet Union many foreign donors decided to support democratic

transition in the region, supporting mainly advocacy activities, election monitoring, civic education, parliamentary transparency and human rights activities, protections of women's and minority's rights, and protection of the environment (Celichowski 2004:75, Císař 2010:748). Most of the money was channeled through grant-making foundations (Kuti 2007:197).[20] Donors expected that social, political and behavioral impact of civil society assistance would be decisive and recognizable in the short run (Kuti 2007:188).

Secondly, the collapse of the Soviet Union coincided with a growing skepticism about the Western welfare states both as an agent of economic development and locus of justice (Howell & Pearce 2001:89). These political assaults on the welfare state took place within the ideological context of neo-liberalism which celebrated the allocative efficiency of the market and discredited the state as an agency for economic growth and management. The neoliberal ideology – represented by the Washington Consensus of the 1990s – legitimized the development of civil society as a substitute for the welfare state. (Howell & Pearce 2001:90) Multilateral lending institutions (e.g. WB, IMF) whose concern for issues of governance has increased have also made civil society engagement a requirement throughout much of their operations (Encarnación 2011:5). They launched a strategy of 'rolling back the state' in their structural adjustment policies in crisis-wrecked developing countries and increasingly integrated NGOs into their development policies. NGOs were not looked upon as representatives of civil society but as alternative service delivery agents to the state. (Tvedt 1998:167, Paffenholz & Spurk 2006:9) For many donors, the concept of civil society was equated (and reduced) to NGOs (Howell & Spurk 2001:91, Encarnación 2011:8). The role of the state as a provider of social justice and development was also challenged in the emerging Eastern European democracies.

Thirdly, the “comparative advantages” of NGOs increasingly gained recognition (Fowler cited in Howell & Pearce 2001:91). NGOs were thought to deliver alternative social services and welfare, offer solutions to the incapacities of the weak state and mitigate the inequalities of capitalist development by embracing those who fell through the social net. In Hungary, the social cost of transition was enormous. Since the immediate concern of politicians was to make sure that the macroeconomic policy corresponded with market principles, social policy as a consequence was *ad hoc* and contradictory (Ringold cited in

20 Government support is more involved in financing nonprofit cultural activities, development and traditional charitable activities such as health and social care (Kuti 2007:197).

Kuti 2007:200). Since the government was not able to provide vulnerable groups with the welfare services they would have needed, social service provision organizations threw a life belt to many such as homeless, disabled people (Kuti 2007:201). NGOs have also been considered to be relatively quick problem-solvers compared to the state: they are flexible and responsive due to their closeness to the people and their services are cheap, if not entirely free.[21] (Tvedt 1998:129, Howell & Pearce 2001:89-91, Oriniaková 2009:10) In a nutshell, throughout the 1990s civil society was the "big idea" on everyone's lips, enjoying support across the political spectrum, in different parts on the world, among theorists, activists and policy makers alike (Edwards 2011:3). Have these ambitious aspirations met donor's and beneficiaries' expectations?

There are two aspects of foreign civil society support which has to be emphasized here. Firstly, contrary to popular perceptions, the development of civil societies in Hungary or in Eastern Europe was not a direct outcome of foreign assistance (Kuti 2007:210). Assistance might have been a dominant force driving the proliferation of non-profit organizations and it most certainly contributed to the institutionalization and professionalization of the sector, but the development of Eastern European civil societies was more of an organic evolution from within, than a process encouraged from the outside. Although the number of externally-supported organizations and the amount of foreign grants increased considerably from 1993 in Hungary, the proportion of externally-supported NGOs compared to all nonprofit organizations did not reach more than 4 % in 2000. In a similar vein, foreign revenues were only a tenth of the total revenues of the sector 1995. (Kuti 2007:191) The numbers suggest that the international aid system embraced only a minority of organizations and even less depended completely on foreign funding. This minority of organizations, however, attracted two-thirds of foreign support (Kuti 2007:192). Critics argue that instead of fostering grassroots activism in Eastern European countries (which donors originally intended to support), patronage by powerful international donors created a small group of professional grant-seeking NGOs, which became detached from their constituencies (Celichowski 2004:74, Císař 2010:737, Encarnación 2011:10).

Secondly, it is often claimed that civil society assistance backfired in a way

21 Official statistic data supports the view that the non-profit sector delivers good value for money. In 1996, the Hungarian nonprofit sector produced three times more HUF than it had received through state support. This fact points to the importance of the value added to the services NGOs provide and the possible returns on 'investment' in NGOs (Bíró 2002:41).

(Celichowski 2004:76). By the mid-1990s the political climate has changed – it was not so "cold" any more – and there was a visible shift in the priorities of international aid (Hopkins 2000:331, Kuti 2007:209). As liberal democracy and capitalism set foot in former state socialist countries the ideological-political rationale behind aid began to lose its persuasive force (Tvedt 1998:224, Howell & Pearce 2001:94). After the end of the Cold War, civil society assistance and "democracy building" lost its relevance in donors' foreign policy. Donors reassessed their strategies and goals and turned to other countries. Their support phased out in Eastern Europe without addressing questions of civil societies' institutional or financial sustainability (Tvedt 1998:208). Although newly established CSOs were encouraged to manage alone and use local sources for sustaining themselves, many in the civil sphere felt that they we suddenly abandoned without having any survival techniques (Ertsey in Kuti 2007:210). Civil society actors increasingly felt frustrated over unmet promises of Western assistance. Many foundations which were established after the transition, built on American conceptions of civil society, which promoted reliance on volunteers and the support of the business sphere as a main survival strategy. In Hungary, a very different socio-economic and historical context made professional fundraising and recruitment difficult to implement (Bíró 2002:52).[22] As a consequence of all these factors many organizations which were originally created by foreign donors ceased to exist soon after the transition. (Kuti 2007:210) These experiences – which were symptomatic over Eastern Europe – warn about the uncritical uses of the concept "civil society" and raise the question whether one understanding of civil society can be effectively exported into a different socio-economic and cultural context (Encarnación 2011:2).

To sum it up, in spite of the fact that foreign assistance was an important facilitator of civil society development, it fell short of the unrealistic expectations connected to it. Ditto civil society: while donors believed that their assistance would be decisive and recognizable in the short run, they underestimated the time needed for the consolidation of a robust, viable civil society. On the optimistic side, however, one cannot undervalue the importance of time and local initiatives:

22 As a legacy of communism Hungary also lacked a strong middle class which could have sustained the civil sphere financially. On the other, the values of solidarity, social responsibility and a strong sense of citizenship were not developed enough after the experiences with state socialism; a strong democratic culture was still missing. (Miszlivetz 2008:105)

> Unlike other countries, the emphasis on civil society in Hungary was not, as the saying goes, old wine in new bottles: all of the interactions and relationships were new. Hungarians, sipping tiny amounts of that wine of support, in turn got tipsy drinking wines from Washington, New York, London, Brussels, Ottawa, The Hague and Bonn. It was a bitter awakening when the cheerful days of the velvet revolution were over and those who had talked about civil society also started talking of shutting off the taps. The Hungarian hope is to learn to produce our own 'solution' ourselves. It is possible, if done with the same passion winemakers have for their work. But it must be understood as an investment and learning process, not as a short night of over indulgence followed by the inevitable hangover. (Ertsey 2000:81)

2.5. Modern Evolution of Hungarian Environmental Civil Society Organizations

2.5.1. The Hungarian Environmental Movement: Sea-Change

The Hungarian environmental movement has been deeply rooted in popular movements and local initiatives. The movement has had the broadest range of international contacts within the Hungarian civil sphere. International assistance before and after the transition has had an influential role in the professional development of several environmental civil society organizations. (Persányi 1992:91-92) To understand the condition of civil society in Hungary and its role in environmental protection, it is necessary to know something about its unique history (Szirmay cited in Lipschutz & Mayer 1996:140). Let us have a look in this section where the “greens” come from, what role they played in the democratization processes and how their focus has changed after the historical changes.

By the late 1980s, a visible degradation of natural areas, smog, toxic accidents and decline in public health lead to a widespread awareness of the deterioration of environmental quality (Lipschutz & Mayer 1996:132, Harper 2004:8). Unregulated state control over a heavy industry-based economy, the absence of modern technology and capital investment in production, combined with censorship and the profound mistrust of the public

made environmental mobilization an arena for democratic change. Instances of open opposition began to emerge all over Central and Eastern Europe. The 1980s was the golden age of the Hungarian environmental movement as it offered a trenchant critique of Soviet-era industrialization. (Harper 2004:8)

Although the history of the Hungarian environmental organizations goes back to times well before the transition to 'traditional' conservationists, religious and pacifist groups, and university groups, it is generally accepted that it were the Danube demonstrations of 1988 which gave environmentally concerned associations their biggest impetus and fused them into a unified movement (Móra 2008:199). The Danube movement became the founding epic for the environmental movement as it helped to build and solidify it. The Danube movement was widely publicized in Western media as well, covered in *New Scientist* and *Mother Jones* magazines. (Harper 2004:29) What was the Danube movement and what was its role in democratization?

In the center of the Danube demonstrations stood a controversial, $3 billion-plus hydroelectric mega-project on the Danube. The Gabčíkovo-Nagymaros dams were a joint Hungarian-Czechoslovak COMECON project, which envisioned a cross-border barrage system that would eliminate flooding, improve navigation and produce electricity in each country. The project was an energy security solution as well, an answer to the global oil crisis that resulted in a dramatic peak in world oil prices after the OAPEC members declared an oil embargo in 1973. Most of the construction was planned to take place on Slovak territory but the Hungarian government was obliged to participate in some of the construction to ensure equal investment. Electricity was planned to be shared equally by both countries. (Harper 2006:32) Apart from being a necessity, the Soviet leadership saw the project as a symbol of industrial progress and a manifestation of socialist-internationalist cooperation. Scientific assessments, on the other hand, expressed criticism about the environmental consequences of the project: it involved drastic interference with nearly 200 km of river, the flooding of 50 islands, 120 km² of forests and fields and the loss of valuable wildlife habitats. Environmentalists warned that the project had unforeseeable consequences for the underground water reserves of the region and the drinking water on which more than a million Hungarians depended. Not to mention the scenic Danube-bend at Visegrád, a beauty spot and popular hiking destination. (The Right Livelihood Award 1997, Harper 2006:30)

In 1984, a group of environmentally concerned people started to organize themselves, opposing the construction of the dam. This group comprised many prominent figures but mainly revolved around János Vargha. He was a biologist from the Hungarian Academy of Sciences who wrote extensively about the dam in a scientific magazine. When the director of the state-run Water Management Agency, who was also on the editorial board of the magazine banned his investigative article, Vargha decided to organize like-minded people around himself and "act as if we were living in a democracy" (Vargha cited in Pearce 2009:46). The Danube Circle, was they were called, wanted to put pressure on the Communist leadership to give up the project. They had to operate illegally since social association was banned that time. They objected that the government withheld public information on the project in order to avoid the debate on its environmental impact. The Danube Circle attracted supporters and gradually evolved into a protest movement. They networked informally, managed and directed the opposition to the project in scientific and professional circles by distributing *samizdat* leaflets and by speaking up in Radio Free Europe and in national TV programs. After the movement got The Right Livelihood Award – the environmental equivalent of the Nobel prize – it was catapulted to international spotlight. The movement got more confrontational and expanded its contacts internationally. (Harper 2006:31) In 1988, Vargha organized an international conference in cooperation with World Wildlife Fund and 150,000 people have signed a petition demanding a referendum on the dam issue. (The Right Livelihood Award 1997) The debates over the dam and the political changes electrified the whole nation.

The breakthrough came in 1989, when the democratic parliament gave way to public pressure and immediately abandoned the construction. In Czechoslovakia the Gabčíkovo dam was almost complete when the Communist government collapsed but the new government decided to continue its part of the project. It diverted the Danube into Slovak territory and kept the development entirely within its borders, which dramatically decreased the amount of water flowing into Hungary and had a significant impact on the water supply and the environment. Hungary subsequently sued Slovakia for appropriating the river, and Slovakia in turn charged Hungary of violating the agreement and took the case to the International Court of Justice in The Hague in 1997. This was the first time that the court would rule over an environmental dispute. Although the court concluded that both countries breached their legal obligations and called on them to cooperate in achieving the original

objectives of the agreement (by taking environmental issues into consideration), the dispute between the countries is still unresolved. (Harper 2006:32)

In retrospect, it is clear that the Danube movement was more than a story about a dam. (Lipschutz & Mayer1996:143) It was about shaking the foundations of the Communist regimes of Eastern Europe. To condemn the dam was to condemn the regime and environmentalism became a tool for "politics by other means" (Lipschutz & Mayer 1996:129). Perhaps it is an exaggeration to say that the movement triggered the collapse of the Hungarian Communist regime, but it is certain that the prevention of the construction of the dam was an ecological as well as a political triumph for the movement, since it questioned Hungary's subordinate position in the Soviet geopolitical order and brought Hungarian hard liners to their knees (Harper 2004:8). The dam project became a symbol of the hated, old regime. Communist attempts to hold back the waters of the Danube became synonymous with holding back the free flow ideas and will of the people (Pearce 2009:46, Harper 2006:33). Similarly to the catastrophic nuclear disaster of Chernobyl, the dam represented the Soviet leadership's technological hubris and secrecy. The deformation of natural environment exemplified everything that was wrong with the state socialist system. (Fagan 2010:691). The Danube movement preceded and in many ways precipitated the political changes of 1989, and as such, it is a narrative of democratization (Harper 2004:8).

In general, environmental issues seemed to be Eastern European communism's soft underbelly in its last years (Lipschutz & Mayer 1996:140, Fagan 2010:692). Under the auspices of the Young Communist Leagues, several environmental groups were established during the 1970s, which party officials considered as harmless outlets of youthful idealism (Móra 2008:120). But this green idealism soon became a rallying point against political oppression. In the former Czechoslovakia human rights organization Chapter 77 took up environmentalism; Polish and Estonian greens joined Friends of the Earth International to protest against air pollution; Bulgarian greens formed Ecoglastnost which held huge rallies in 1989; but nowhere did green politics catch on more as in Hungary (Pearce 2009:46-47).[23]

23 There are dissident voices in this narrative as well. Persányi does not attribute such importance to the environmental movement in catalyzing the great changes. He notes that environmentalists misunderstood of the role of the environmental challenges in the politic-economic development of Central Europe: although environmental factors played a unique role in the political changes of 1989, the societal influence of the movement remained relatively limited. ENGOs derived their apparent strength from their relationship with the democratic political opposition, not by their own merits. (Persányi 1992:75)

2.5.2. From Environmental Dissidents to Grassroots Globalization

The Danube movement's main organizations and the groups that sprang from it, had the broadest range of international contacts in Hungarian civil sphere and this way they had access to American and Western European projects, publishing opportunities and training trips abroad. Extensive organizational support began in the 1980s, when foreign assistance streamed in with the aim of facilitating environmental legislation and cleaning up environmental "hot spots". The establishment of research and monitoring facilities was essential for activists to have access to, and be able to produce accurate, independent, scientific information about certain environmental problems.[24] (Persányi1992:91-92) The importance of Western donors went beyond financial transfers: they helped to advocate and implement institutional and managerial models, know-how and strategies, and assisted Hungarian activists build up civil society infrastructures. International assistance had an influential role in the professional development of several environmental civil society organizations. But while the newer and more visible organizations were adept at gaining access to funds – often by adopting professional norms, operational strategies and administrative approaches prevalent in the West – traditional environmental conservation and membership organizations fell through and did not manage to reach out for these funds. After Western donors left the region and Hungary joined the EU, NGOs' professionalization further intensified as they aligned their actions with Brussels. (Fagan 2010: 697, Celichowski 2004:75)

The project of building a new, autonomous civil society rapidly succumbed to a fever of party-building during the late 1980s and an overwhelming majority of former activists became members of the new political elite (Miszlivetz 2000:75). The new democratic political system had a high absorbing capacity and the anti-dam campaign was a passport to political power for many activists. The Danube movement slowly began to fade from the political scene and dependence on state and external funding gradually moderated,

24 ISTER (East European Environmental Research, where Vargha worked), and the Independent Ecological Center was partly funded by the Soros Foundation and the German Marshall Fund of the United States. The Regional Environmental Center for Central and Eastern Europe was proposed by Bush and was set up in 1990 by the United States, the European Commission and the Hungarian government. (Persányi1992:92)

professionalized and demobilized the originally contentious green organizations (Císař 2010:738). This did not necessarily mean a low tide for environmental issues, since activists newly catapulted to political fame, kept environmental concerns on the political agenda (Pickvance 1997:40, Miszlivetz 2000:75). On the other hand, the rapid establishment of the new institutions of representative democracy radically changed the dynamics of civil society. The leaders of the new political elite claimed that the time of social movements was over: they were afraid that grassroots mobilization might endanger the stability of the new democracy. Politicians were convinced that parties provided the most effective arena for the competition of ideas. (Miszlivetz 2008:105) Many ex-activists who joined party politics tended to engage in dirty political games or promoted 'uncivil' values (Celichowsky 2004:76). Environmentalists were disappointed by those activist-turned-politicians' performance who did not live up to the movement's expectations and did represent the 'green cause' any more (Móra 2008:119, Fisher & Davis 1992:10).[25]

After the political changes, the environmental movement diversified its focus and the multitude of newly established NGOs were geared towards a new political system. The single issue of the dam was taken over by newly emerging topics, such as nuclear and GMO issues, eco-colonization, and consumer protection. NGOs scope of action and thinking widened and they realized that environmental issues cannot be considered in isolation form wider issues of modern societies, such as environmental justice, human rights, consumerist lifestyle, etc. (Móra 2008:120). The new foci within the environmental movement have reflected an increasingly globalizing outlook and emphasis on the drawbacks of market forces. Environmental organizations have understood their shifting political role: activists have moved away from the “society vs. state” model of 1980s to a more recent model of watchdog citizens protecting public goods from *laissez-faire* market exploitation which is facilitated by a weak state (Harper 2006:16).

Over the course of the 1990s, greens continued to frame their actions in terms of 'civil society' but their concept of civil society underwent a subtle shift to a more Gramscian notion of civil society: forming a wedge between the state and market institutions (Harper 2006:15). This also meant a shift in Hungarian activist's understanding of their own political

25 A likely explanation for this is that environmentally committed civil society activists had an easier time identifying a cause from without the political structure. Once they themselves became insiders to the political system, they realized the trade-off involved in this: access to and responsibility for resources which they had to manage and distribute weakened their capacities to criticize and oppose certain policies (Warren 2011:10).

role. After the 'environmental transition' and entry into market capitalism, activists put the blame on 'wild capitalist' forces as a reason for environmental degradation. Although Western experts and Eastern elites promised that the market would provide a strong medicine to cure socialism's many ills; privatization, marketization and 'consumerism' were not an environmental success story (Fisher & Davis 1992:10, Harper 2006:10). Greens in Hungary believe that without the constant vigilance of citizens, multinational capital and short-sighted entrepreneurs will override the common good, appropriate land and resources for their own profit. Today, activists question the “naturalness” of market economies and challenge the underlying assumption that there is no political alternative to global capitalism (Harper 2006:11).

There has also been a shift in the framing of the issues and strategies. Today environmental organizations participate in transnational networks and campaigns and they increasingly think about and experience local conditions within a global frame of reference. The greens identify themselves with an environmentalism that is global in scope and grassroots in practice. However, concern with democratic processes and public access of information continue to characterize contemporary Hungarian environmental movement even today. (Harper 2006:14) Their strategies changed as well: while at the time of regime change mass demonstrations were a frequent method to put pressure on authorities, there has been a gradual shift to public education, awareness-raising (especially among the young), interest representation and advocacy (Pickvance 1997:43). Mobilizing individuals and organizing demonstrations has also gradually been replaced with professional methods of public relations, activist 'marketing' and media-attractive events to catch people's attention (Císař 2010:740).

2.5.3. Present Situation of the Environmental NGO Sector

The initial boom in the number of ENGOs and the diversification of the movement lasted until the mid-nineties. By this time, the structures of networking and cooperation had already been established and several organizations trained their own experts, lobbyists and campaign managers. The annual National Assembly of Environmental NGOs is the most

important forum for the greens. The assembly is based on written rules and serves the purpose of electing and delegating members to specialized state committees. Such a high level of organization is unique in the Hungarian civil sector. (Móra 2008:119, Oriniaková and Dönsz 2009:27) This has caused resentment among other civil society actors who think that the relative strength of the environmental sector has led to an uneven development within the CSO community. ENGOs not only form their own "exclusive clubs" and isolate themselves from others, they attract funds more easily as well (Ertsey 2000:95). They suspect that the reason why environmental issues have attracted so much Western funding was due to the fact that these issues are usually very visible, burning problems so projects which aim tackling them are popular with donors who use ENGOs as safe bets to deliver successful results.

According to a rough estimate, there are approximately 500-600 active ENGOs in Hungary today (Móra 2008:120).[26] They can be classified in three main categories: organizations with a national reach (e.g. Energiaklub) which work mainly independently form each other but in some particular issues they form networks. There are 8-10 of these umbrella organizations nationally, with several member organizations. The second category comprises regional organizations which operate in bigger provincial cities and whose scope of action covers one or more counties. There are 10-12 of these and they mostly deal with local problems, have a more general profile and they often participate in national movements and programs. Many of them form alliances and embrace smaller, local organizations. Besides the nation-wide thematic alliances, these regionally operating, long-standing NGOs form the basis and face of the environmental movement. Finally, there are smaller local organizations e.g. environmental education groups, university groups and other diverse associations but their participation in national events is not typical. (Móra 2008:121)

2.5.3.1. Scope of Cooperation Among ENGOs

By now the structure and *modus operandi* of the environmental movement has consolidated;

26 There are 65.000 organizations in the Hungarian non-profit sector according to the Hungarian Central Statistical Office. However, many of these are "phantom" organizations: they are legally registered but effectively inactive. (Kákai & Sebestény 2012:117)

it become routinized and stabilized by written and unwritten rules. The movement's yearly assembly and the national alliances between its organizations facilitate a relatively quick and unified representation of interests – e.g. by issuing common statements – which is the main strength of the movement. There is a high level of trust between the organizations and a common ideological basis makes the general acceptance of common standpoints possible. During debates at the assembly, members are usually willing to make compromises and the common lowest denominator is usually found, for example between energy and conservationist organizations regarding issues of biomass. (Móra 2008:123)

The most important development in cooperation lately has been the creation of the Z8 group, the union of the biggest national organizations (Móra 2008:123). It was created as a Hungarian version of Green 10, an EU-large green lobbyist platform which is based in Brussels. The Z8 is a similar pressure group which aims to amplify the voice of ENGOs *vis-á-vis* the state. Since most Z8 organizations are located in Budapest, however, there is a danger that they might cover the activities of smaller regional organizations and make the movement even more centralized (Móra 2008:124).

There are already misgivings about a general tendency of polarization among ENGOs in Eastern Europe (Miszlivetz 2008:110). It is widely described that two clusters of organizations have emerged since the transition: the first cluster consists of well-capacitated organizations run by a small group of highly professionalized staff which generally engages in policy-making on the national and the international levels (Oiniaková 2009:12, Carmin 2010:183-202, Fagan 2010:697). These NGOs often have relatively high incomes and rely on foreign governments, EU and domestic sources, service fees, sales and rentals. This NGO elite is better positioned to reach out for funds since they possess the necessary skills of application-writing and are able to "talk civil society" fluently using the most fashionable buzzwords (Miszlivetz 2008:106). The second cluster of NGOs tends to sponsor local activities and take action on behalf of its constituencies and marginalized groups and provide environmental services on the local level. These civil society organizations usually have lower incomes and rely on domestic sources of funding, particularly membership fees. This cluster is often overlooked by governments, agencies and foundations despite the fact that they make important contributions to environmental governance (Carmin 2010:200). As the first case study demonstrates, grassroots organizations despite their limited capacity are able to provide critical input to environmental governance by advancing societal interests. A

negative consequence of polarization is that “the same few NGOs [are] able to benefit from available funding schemes at a time when there are few accessible NGO funding schemes in the beneficiary state” (Pitija 2010:67).

The solidifying and stiffening tendencies of the movement are accompanied by an even more worrying process, namely, that ENGOs are weakly embedded in society. Few new people join the movement, membership numbers are dwindling and there is a lack in supportive constituencies (Móra 2008:124). There are various explanations to this tendency: one of them is that after the transition, newly established environmental organizations concentrated much more on contributing to the creation of a strict environmental law. Since they took people's support for granted, they neglected their constituency-relations. The lack of large, mobilized constituencies means that there is no pressure on governments to respond to environmental issues (Lipschutz & Mayer 1996:134). On the other hand, as Csaba Kiss points out, one of biggest drawbacks of the non-profit sector is that “it offers no future prospect whatsoever for the engaged and those who would sacrifice their lives to work in the civil sphere” (Kiss interview:05.11.2012).[27] A final explanation is that as organizations are trying to 'stay alive' and scrape together what they can from slumping financial sources, they do not focus on attracting and recruiting a second generation of activists. As result, many of the environmental groups are dominated by the same individuals who have been on the field for more than 15-20 years and the very same people keep on rotating between different positions (Lipschutz & Mayer 1996:147, Móra 2008:124). This raises definitional issues about the movement: although in theory it covers all environmental organizations in practice it is the same 100-120 main figures who constitute the movement. It still remains to be seen how the movement can be made more inclusive and how more participants can be mobilized (Móra 2008:124).

2.5.3.2. Relations with the State – Participation in Policy-Making

After the regime-change, Hungary witnessed an 'environmental clean-up' due to the socialist

27 Kiss's statement is reflected in the statistical data as well: while continuous growth of the number of employees in the QUANGO sub-sector in the last two decades is obvious, foundations and associations were unable to create jobs in the same period (Kákai & Sebestény 2012:125).

legacy of forced and intensive industrialization which created a significant number of environmental hotspots. However, with economic growth picking up in the late 1990s, Hungary started to experience similar environmental problems as older EU member states did decades ago (Börzel & Buzogány 2010:165). It was expected that the new democracies in the region address these environmental problems and that they create and implement environmental policies by including the public and NGOs in environmental decision-making processes. One of the first steps in this direction was to replace existing protocols with Environmental Impact Assessment (EIA) procedures, in affect at that time in the EU. This included provisions for public comment and participation in public meetings. Hungary was among the first ones to adopt EIA procedures and this was important step in promoting the environmental agenda. (Fagan 2010:694-695)

Apart from EIA procedures other opportunities of participation came to the forefront as well. As in other CEE countries, the newly elected Hungarian government contacted ENGOs which commanded appropriate expertise to assist in policy-development, remediation projects and research (Carmin 2010:184). The biggest success of the movement was the creation of the environmental law in 1995 which granted civil society organizations the right to participate in environmental decision-making (Móra 2008:121). The law also established the National Council on the Environment, an independent tripartite advisory body to the government, which incorporates an equal number of representatives of science, civil society and business. The council deals with concrete fields of action, such as agriculture, nature protection, energy policy, transportation policy, etc. Delegation to the council and other expert committees within the state administration which required the participation of the greens, necessitated a legitimate mechanism to choose their own representatives. This led to the establishment of the annual National Assembly of ENGOs (referred to above), which facilitated a democratic and convenient cooperation with the state. The assembly is organized by an elected NGO each year and is attended by 300-500 environmentalists. Other important forums of contact with the government are those regular daily conferences where they invite – and grill – members of the environmental and other ministries. (Móra 2008:122)

In 1998, however, the newly elected government, *Fidesz,* and the reorganized leadership of the Environmental Ministry tripped the process of cooperation between the state and the greens (Móra 2008:122). The chances of cooperation evaporated and the

formerly transparent funding scheme of the Environmental Ministry was replaced by centralized financial administration which became the hotbed of corruption. ENGOs turned inwards and everyday survival issues eclipsed common environmental concern. Although the situation got back to normal after the replacement of the environmental minister, successive ministers were indifferent to the environment and devaluated the importance of environmental issues on the political agenda (Móra 2008:122). Economic growth and post-materialist, environmental claims have always been in conflict with each other but the situation worsened as recession-ridden and cash-stripped Hungarian governments preferred job creation and economic development over environmental concerns.

Since the beginnings, the movement has been an opponent and shaper of Hungarian environmental policy regardless of governments' colors (Móra 2008b:1). The relationship between environmental organizations and state administration have been defined to a large extent by the Environmental Ministry and its minister. The relationship was especially conflict-laden in the mid-2000s, since the minister did not stand up for environmental interests and all the green projects he launched withered away. He drastically weakened the system of environmental authorities as well due to austerity measures. There was only one field where he opened towards the movement and this was in such cross-border issues as the cyanide-pollution of River Verespatak, the German garbage import or the pollution of River Rába.[28] (Móra 2008:125) However, apart form temporary hiccups, the Environmental Ministry has been one of those few ministries which efficiently included and invited civil organizations in the consultations of legal drafts and kept up a good flow of information through its partnership website (Móra 2008:125).

Apart from legislation, the second National Development Plan was a central topic that defined greens' relationship with other ministries (e.g. Agrarian, Economic, Transport Ministry). The Development Plan is a strategic document which defines Hungarian development policy objectives and outlines to the use of the EU's Structural Funds (National Development Agency 2013). ENGOs have taken an active part in the elaboration of documents which can be connected to the National Development Plan such as the National Sustainability Strategy and the Rural Development Plan (Móra 2008:125). Another important forum for the greens to influence policy-making is the National Council for

28 These are all manifestations of the classic “race to the bottom”: open borders within the Schengen area provide an opportunity and incentive for multinational companies to move eastward to find the least regulated countries under environmental law (Toth 2010:309).

Sustainable Development, which was founded in 2008 as a "conciliatory, consultative and advisory organ" to the Parliament in the field of sustainable development (Parliamentary Resolution 57/2008). Usually there are no big confrontations between the delegates who have various interests "because, to be honest, we know what greens' word is worth" comments Kiss ironically (Kiss interview: 05.11.2012).

Although governmental attitude – both on central and local governmental levels – developed towards cooperation with CSOs such benevolent attitude cannot be taken for granted (Kuti 2008:32). High-ranking civil servants' commitment to the development of the civil sector has been just as much responsible for the positive developments since the transition as the strong interest-representing powers of NGOs (Kuti 2008:33). Things are changing now: the department responsible for social relations has been sinking lower in the governmental structure. While in 1998 the non-governmental relations department was under the auspices of the Prime Minister's Office, today it exists jointly with other issues within the Deputy State Secretariat of Church, Minority and Non-Governmental Relations (Kuti 2008:33, Móra interview:08.11.2012, Hungarian Government 2013). Furthermore, the government has planned to eliminate the post of the Parliamentary Ombudsman for Future Generations, a post created in 2008 in response to a civil society initiative. The ombudsman, a guardian of the environment and sustainability, was the first post of its kind in Europe (USAID CSOSI 2011:88). Eventually, the ombudsman himself resigned in 2012 because *Fidesz*'s draft constitution ham-stringed him by cutting his powers and did not guarantee environmental sustainability substantially enough (MTI 14.03.2012).

2.5.3.3. Relations with the State – Financial Support

The Hungarian state fundamentally shapes the development of the civil society sector since it provides a predominant share of its revenues.[29] Different governments have been, however, divided over the importance of supporting the non-profit sector. While for some governments tax advantages and central budget support have sufficed, others considered NGOs as partners and delegated services to them. The difference between the two attitudes

29 According to the data of the Hungarian Central Statistical Office, state support has consistently exceeded 40% of the non-profit sector's revenues since 2003 (Kákai & Sebestény 2012:119).

is considerable. While in the first case the state only *supports* the civil sector through social redistribution, in the second case it *buys* services which help carry out the state's public duties (Kuti 2008:34).[30] There are at least two reasons why governments may begin to embrace civil society as a partner: decentralized service provision would lessen the state's bureaucratic burdens and contracting out public services to NGOs would be considerably cheaper as well. While supportive partnerships between the state and the civil sector already exist within basic health, social and cultural services, they are not so prevalent in environmental services.

It is a open secret that the distribution of state support is not entirely based on CSOs' merit and performance. Miszlivetz points out that reliance on informal social relations – which used to be an important survival strategy for most people during communism – have not vanished completely after the political transition (Miszlivetz 2000:109, Bíró 2000:83). Consultations only with "VIP civil society organizations" during the first National Development Plan is an evidence that such habits and reflexes have survived state socialism and that the distribution of state funds is still based on informal networks, personal connections and political affiliations (Oriniaková and Dönsz 2009:26). "All governments, independently of their affiliations, have considered civil society as their own extended hands or as a backup resource to fall back on. The best thing about the Norway Grants was that as an independent source it could develop Hungarian civil sector regardless of domestic politics" (Móra interview:08.10.2012).

State support for the development of civil society became a major aim in Eastern Europe after the political changes. However, strengthening civil society and helping its institutionalization without gaining control over it remained an unsolved issue until the late 1990s (Kuti 2006:352). In the early 1990s, civil society actors resented the fact that the government favored to share its service-providing obligations by contracting NGOs specialized in this field, but neglected strengthening other CSOs (Kuti 2006:352). Efforts to meet the challenge of financing CSOs other than service providing NGOs resulted in two innovative schemes.[31] The first one was the so called "1% system" which allowed for the

30 The law on non-profit organizations reflects the same paternalistic mentality: it accurately and strictly regulates the technical and financial obligations of organizations but it fails to set up the conditions under which CSOs can be better integrated into the system of public service provision (Bíró 2002:75).

31 The distribution of state funds is disproportionate: QUANGOs constitute only a fraction of the non-profit sector but they receive almost two-thirds of the state funds (Miszlivetz 2000:77). These "artificial" civil society organizations were established by public authorities from 1994 on in order to provide formerly

annual transfer of 1% of personal income tax to one CSOs (Kuti 2006:357). This was a popular scheme as it made it possible for the government to support CSOs from the central budget without having to meddle in the process and decide who gets the money. At the same time the 1% system has brought choice closer to people since they can decide whom they would like to support. The 1% system does not mean the redistribution of much money but grassroots organizations have a good potential of earning money through this scheme since it is not related to projects.

The second "innovation" – the National Civil Fund (NCF) – was introduced in 2004. This state financing system has been a primary source of revenues for many civil society organizations (Kuti 2006:353, USAID CSOSI 2011:90). Organizations can apply for funds to the NCF to cover their overhead costs or to finance projects. On the NCF's evaluation committees CSO representatives have been a majority who have been elected through an open process. Civic control of the redistribution is thought to be more effective than state administered grants since civil society actors are more familiar with the needs of the sector and are more likely to make better judgements (Kuti 2006:360). The NCF has benefitted smaller grassroots organizations and improved regional distribution by alleviating fund-concentration in the capital. The NCF has especially been beneficial for environmental NGOs whose share from central governmental support is negligible (Kuti 2006:362).

The recent reorganization of the NCF, however, has resulted in a widespread indignation among civil society actors. The amount of the funds has not only been drastically reduced, the money has been distributed by new council members, two-thirds of whom are delegated by the state (USAID CSOSI 2011:90, Móra 2012:165).[32] Many fear that the centralizing tendencies of the *Fidesz* government will result in a non-transparent system and that the lacking control-mechanisms will have unforeseeable consequences (Vári 2011). Indirect state support e.g. tax credit on private and corporate donations has also been narrowed down recently, providing little incentive for charitable transfers (USAID NGOSI 2009:112).

The aggravation of the relationship between CSOs and the state is reflected in the drastically shrinking sectoral (environmental) financial support available for ENGOs as

government-provided services (Miszlivetz 2000:77, Kákai & Sebestény 2012:123). Private foundations and voluntary associations have much less access to state funding (Kuti 2006:356).

32 From formerly available 7.6 billion HUF (€25,8 million) to 2.8 billion HUF (€9,5 million) in 2011 (Vári 2011).

well. A decreasing tendency can be observed: while in earlier years 450 million HUF (in 2004), 120 million HUF (in 2010), 116 million HUF (in 2011) support was available, the ministry's Green Fund in 2012 amounted only to 85 million HUF (Móra 2008:126, Hungarian Government 2013). This tendency sent the message to environmental activists that the state is not responsible for supporting civil society organizations and that they have to secure their own financial basis by collecting donations from society. Green NGOs' financial capacity was not boosted by the Structural Funds either. Although the main target of the Structural and Cohesion Funds was environmental protection, during the first National Development Plan only major infrastructural investments were financed – e.g. sewage and regional waste deposit sites – and civil organizations did not receive any money. The Energy and Environment Operative Program (2007-2013) opened up some funds for civil society organizations but the tendency is not expected to improve much in the future (Móra 2008:125-127). NGOs that were awarded EU funds experienced a number of problems, including the arbitrary modification of the terms of their contracts and delay in grants payments (USAID NGOSI 2009:113). These delays caused serious cash-flow problems for those NGOs which had taken up loans to finance their projects. Because of the EU's ex-post financing system (i.e. money is transferred after the project is completed) many of them faced serious liquidity problems (Oriniaková 2009:26, USAID NGOSI 2011:91).

The relationship between organizations' financial resources and their power is not always causal: with enthusiastic volunteers and wide societal support many CSOs should be able to do the trick. Kuti and others argue, however, that civil society actors' capacity to represent their interests and have a say in policy-making does depend on their financial viability after all. In order to be considered as serious partners by the state and business spheres it is essential that CSOs acquire a solid and predictable economic base (Kuti 2008:19, Oriniaková 2009:26).[33] Considering the recent financial bleeding of the civil sector which resulted in a general atmosphere of impotence and “extreme apathy” among civil society actors, resuscitating Hungarian civil society again and giving back faith to civil

33 Small administrative capacity (including financial capacity) was the biggest challenge for non-profit organizations in the development of operational program documentations of the EU's Structural Funds in programming period between 2007 and 2013. While the EU encourages that member states develop their strategic development documents in partnership with social partners e.g. representatives of the non-profit sector, their activity is fully dependent on the organization's financial situation, contrary to public administration delegates (Oriniaková 2009:26).

society actors is the biggest challenge for the intermediary grant-making foundations (Móra interview 08.11.2012).

2.5.3.4. ENGOs' Relations with the Business Sector

ENGOs' relations with the business sector are also controversial. Since many ENGOs consider themselves watchdogs of the excesses of the state and big business, they often clash with big companies in connection with bigger investments, such as in the case of the Holcim cement factory and the Strabag limestone quarry (Móra 2008:127). ENGOs general belief in the need of decreasing our ecological footprint and changing our wasteful lifestyles is in stark contrast with the consumption-encouraging world of advertisement and marketing. As a consequence, many of the green activists oppose the profit-oriented corporate philosophy and do not seek or accept corporate support. However, attitudes are changing. As the practice of corporate social responsibility (CCS) has become increasingly fashionable, companies started to appear among the sponsors of the wealthiest organizations (e.g. WWF) (Kuti 2008:24, Kákai & Sebestény 2012:128-129).[34] Attracting corporate resources is no longer morally problematic for smaller organizations either (Móra 2008:127). For many businesses, however, supporting environmental issues is less attractive than other, more visible and emotionally moving societal challenges – stray dogs, hungry children or homeless people raise more popular attention.

Corporate donations might be hindered by the controversial reputation of some environmental activists who might be perceived as "self-appointed fighters of a Good Green World" or "existential protesters" or "media-clowns paid by parties" (Persányi 2006). Since ENGOs often carry out visible activities in order to check corporate conduct – e.g. acting as watchdogs by organizing demonstrations or exposing unethical behavior – they might give the impression that they are enemies of big business. Relations with the business sphere cannot of course be simplified to the dichotomy of supporter (i.e. friend) or non-supporter (i.e. enemy) but in the case of the green movement this is often how the problem is framed.

34 The practice of CSR typically comes from foreign and multinational companies rather than Hungarian enterprises. Corporate support in non-profit revenues, however, has shrunk to a third due to the impacts of the economic crisis (Kákai & Sebestény 2012:128-129).

Legislation and politics on environmental matters are usually a three sector game, where the public administration has to reach a compromise between business and environmental lobbies. This does not mean that the latter two do not speak with each other, only that their interests are usually diametrically the opposite. (Móra 2008:128)

2.5.3.5. Hungarian ENGOs and European Relations

The vision of building environmentally proactive and participatory democracies in Eastern Europe was a cardinal objective for bilateral and multilateral donors and various foundations on both sides of the Atlantic (Fagan 2010:695). As I mentioned earlier, while a variety of other types of activities were supported after the transition, the environment received particular attention. This can be put down to the alarming levels of environmental degradation in the region and the visibility of environmental movements across Eastern Europe. In these countries, the green issue was politically prominent as well and transcended party divisions in domestic politics (Fagan 2010:695). Alongside the new political opportunities that emerged – participation in decision-making, EIA, and the creation of the National Environmental Assembly – the presence of international donors raised the question of how external funding helped the development and mobilization of civil society. One of the answers is that foreign funding created opportunities for transnational interaction for ENGOs and facilitated the diffusion of knowledge and norms. Such instances of internationalization effected national activism as well (Fagan 2010:695, Dunn 2010:173).

Later on, as Eastern European countries became members of the EU, Brussels became the primary force shaping the vision of environmental governance practices and the European Commission became a major funder of environmental NGOs (Carmin 2010:184). The EU has placed the emphasis on promoting participation in decision-making and created opportunities for civil society actors to engage in various functions which support decision-making. Thus, ENGOs have conducted research, drafted legislation and served as representatives of the broader public in policy processes and the EU has also provided compensation for this work. Fagan points out that although these highly visible, vocal and

professional organizations seem ubiquitous and might dominate the general understanding of NGOs, they are actually only a small percentage of the total population of environmental NGOs active in the region. (Fagan 2010:697)

In the background of the efforts to embrace NGOs stands the EU's attempt to address its oft-maligned democratic deficit and its fear of the widening abyss gaping between decision-makers in Brussels and citizens in the members states (Kuti 2008:24, Dunn 2010:170). Through the advisory bodies of the Committee of Regions (COR) and the European Economic and Social Committee (EESC), the EU provides 'social partners' direct channels into policy and regulatory processes. The benefits for civil society organizations are clear: they can influence supranational laws and policies and they can monitor various processes. For the EU stronger partnership with NGOs and civic dialogue means more credibility, transparency and legitimacy of its policies. ENGOs also act as an “early warning system” and can give new directions to the policy debate (Dunn 2010:170). However, such attempts to ensure civil participation are far from perfect (Dunn 2010:173). Despite attempts to regulate the relationship between the EU's institutions and NGOs, procedural difficulties in participation and establishing a formal relationship remain. Dunn argues that the practical reality is that it is easier for NGOs to act at the level of member states and press national governments than to contribute substantially to EU policy issues (Dunn 2010).

EU membership, as former foreign assistance, delivered positive benefits for ENGOs in terms of a wide range of opportunities and resources (Börzel and Buzogány 2010:159). The incorporation of EU-compliant environmental regulations and processes into national law proved administratively costly for accession states and challenging due to incompatibilities with national environmental policy style.[35] These high implementation costs offered NGOs an opportunity to become more involved in the (politically less glamorous) aspects of service provision and monitoring (Fagan 2010:698). The incentives for cooperation were mutual: financial and bureaucratic costs of employing NGOs were minimal and NGOs welcomed any form of engagement after having been marginalized politically during the 1990s. Even if the post-socialist governments initially did not seek the involvement of ENGOs in drafting EU-compliant laws, once these frameworks were on the statute books ENGOs were effectively guaranteed a degree of future involvement and

35 The implementation of some 200 environmental directives imposed heavy costs on CEE states and swallowed up 2-3% of their GDP (Börzel & Buzogány 2010:166).

access within processes such as EIA or within directives such as the Integrated Pollution Prevention and Control (IPPCD) and Fauna-Flora-Habitats Directive (FFHD). (Börzel & Buzogány 2010:162)

An additional benefit for ENGOs was the availability of financial assistance through programs such as PHARE (Poland and Hungary: Assistance for Restructuring their Economies), CARDS (Community Assistance for Reconstruction, Development and Stability in the Balkans) and IPA (Instrument for Pre-Accession Assistance). Although sums allocated specifically for environmental projects were modest and relatively few, civil society organizations gradually became savvy in accessing EU funds for other non-green projects. The flip side of EU funding was that projects were constantly short-term and non-renewable, thus organizations had difficulty in using EU project funds to improve their internal capacities. (Fagan 2010:698) Although the EU's funding strategy differed from earlier – mainly American – funding in the sense that it emphasized the long-term sustainability of NGOs as a main goal, it nevertheless continued the old pattern of distributing assistance through project-based mechanisms (Císař 2010:739). One of my informants, Csaba Kiss notes that a major setback of project-based functioning is that it forces many NGOs to hire a large staff as soon as they are granted the funding and then immediately lay them off when the project is over. This does not help the development of organizational capacity on the long run (Kiss interview: 05.11.2012).

Not all analyses paint a positive picture of the accession processes and outcomes. While a positive change was evident in the adaptation of environmental laws and state capacities, cooperation between state and non-state actors were weak and the opportunities of accession could not be fully exploited (Börzel & Buzogány 2010). A particular problem in Hungary was that both state and non-state actors were often too weak and this prevented them from cooperation. While NGOs lacked sufficient personnel, information, expertise, money and organizational resources to make strategic decisions and act as reliable negotiation partners; the government did not appear to be a credible partner for NGOs due to the historically lacking institutionalization of state-society relations. In post-socialist states, many civil society organizations still consider themselves as watchdogs rather than partners of the state. (Börzel & Buzogány 2010:158-182) For good historical reasons, citizens and official authorities are still mutually suspicious of each other (Miszlivetz 2008:105). This special relationship between the state and most CSOs is potentially a reason

why the state does not delegate more public functions to civil society actors.

Despite financial assistance, access to transnational networks and additional opportunities granted by the law, the anticipated shift from state dominated decision-making has not occurred (Fagan 2010:699). Nevertheless, accession indisputably made ENGOs far more professional, skilled and better-connected, even if it has not given them as high a profile and centrality in policy decision-making as activists had expected (Fagan 2010:700). Diffusion of organizational know-how, strategies and technical expertise among ENGOs took place through media, culture, and through the interactions activists have with one another through networks, commissions, panels, partnership projects, workshops and conferences and professional associations (Fagan 2010:696). Although the international connections of the Hungarian ENGOs have been traditionally strong (the establishment of these contacts started with the Danube movement), the EU offered additional opportunities and contributed to the globalization tendencies of civil society. The biggest Hungarian NGOs are members of corresponding international networks (e.g. Energiaklub is a member of Climate Network Europe) and similarly, the biggest transnational organizations set up shop in Hungary, such as WWF and Greenpeace. Thanks to their international connections, Hungarian organizations became active agents in European and global (UN) processes, conferences, and interest representation. (Móra 2008:129) On the other hand, newly forged ties with international NGOs and participation in international conferences contributed to shaping the activities and agendas of domestic NGOs.

In 2004 a new chapter began in the relationship of Hungary and Norway. As Hungary joined the EU, it gained access to funds provided by the EFTA states. Similarly to donors who were active in Hungary in the 1990s, and later on the EU, one of Norway's central concern as well has been to help strengthen Hungarian civil society. Today Norway is the second biggest sponsor of Hungarian civil society, which inevitably raises questions about the role the EEA and Norway Grants play in the environmental work of civil society organizations. The case studies in the following two chapters will attempt to answer this question.

3. Budapest Airport vs. Rákoshegy

This case study concentrates on the 'tug of war' between a grass-roots NGO, the management of Budapest Airport and several state authorities between 2008 and 2010. Due to a blunder in the 1980s, one of the airport's two runways was built too close to the residential areas of Rákoshegy and with the continuous growth of passenger traffic noise became unbearable. The main question the case focuses on are the following: how did the organization use the foreign resources to achieve maximum effect? What strategies did it employ and what functions did it fulfill through its activities? What implications does this have for prospects of democracy? It will be shown that the EEA and Norway Grants played an important facilitating role in the organizations' partial but meaningful success. Keane's theory, which focuses on the monitory functions of civil society, highlights how the activities of the CSO contributed to an improvement in the quality of democracy.

3.1. Introduction

Residents of Rákoshegy, a neighborhood in a peripheral district of Budapest, say their life is increasingly sullied by the noise of aircraft flying overhead. In 2006, a local NGO representing 800 affected households, filed a lawsuit against Budapest Airport arguing that the airport did not conform to the regulations and as a consequence posed serious health and safety threats to the neighboring community. Neither continuous complaints against the noise, nor lawsuits have so far persuaded the airport or the authorities to heed calls for the revision of present regulations. The airport refutes the claims of the residents, arguing that noise levels do not exceed threshold limits and that the noise affects only a few thousand people compared to millions of others who enjoy the benefits of the airport – either as employees or customers. The residents of Rákoshegy are skeptical about the airport's reported data on noise impact and suspect a powerful lobby that puts the authorities into a

straightjacket and prevents them from executing their duties. None of the residents doubt the social and economic need for the airport; all they wish for is straightforward regulation, equitable restrictions on flights and a responsible airport management.

My conversations with the protagonists of this story revealed how complex the conflict was. The interests of the actors involved are diverse and hard to reconcile – this much was clear from the interviews I made with Péter Szili, István Deák and Domokos Szollár. Their input was a valuable source and put flesh on the raw data I retrieved from various primary and secondary sources. I relied on a wide range of documents in order to reconstruct the details of the conflict. My main sources were the following documents: the judgement of the 18th and 19th district court on whether Budapest Airport exceeded the legal noise limits (the judgement was delivered on 11th October 2010); the expert opinion of the judicial expert, who was called on by the court to investigate and technically evaluate the situation in order to provide the court with more complete knowledge on the environmental issue; the noise monitoring results prepared by the noise-monitoring expert Rákoshegy Airspace Association hired; documents on the individual damages lawsuit of the association's director; extended correspondence between the association and various state institutions, such as the Ministry of Transport, the Ministry of Environment, the National Transport Agency, the regional and national environmental authorities and Budapest Airport; and relevant legal regulations of noise management and noise mapping. With the exception of the legal regulations, all of the documents are publicly accessible through the association's homepage. All factual data on the aviation laws, monitoring data, airplanes, etc. can be found in these written documents and the specific sources will not be referred to in the following account, only information obtained from the informants whom I briefly introduce in the following paragraphs.

Péter Szili is a lawyer and a member of Rákoshegy Airspace Association, the CSO, which prepared a good deal of the litigation material which was used as evidence in the court case against the airport in 2010. Although the lawsuit had already been in progress since 2006, the project the Norway Grants financed helped the association achieve three of its main goals: to make procedures concerning noise management more public; to include noise experts in the work of the organization; and to strengthen civil participation in decision-making. Without the financial support, the NGO would not have been able to hire a noise expert and, in turn, the litigation evidence might not have been as conclusive as it was.

István Deák is one of the most active locals who lives in the very near vicinity of the airport. The locals consider him to be a calm, levelheaded man whose knowledge about the odds and ends of legal and technical regulations is all the more surprising given he is not a lawyer by education. Establishing an association (Association for Orderly Aviation) came natural: when he lost an individual trespass lawsuit after his walls had cracked due to vibration caused by an aircraft, he became convinced that law does not protect those who need it most. He is currently pushing for the revision of the legislation on aviation.

Domokos Szollár was the spokesman and head of communications at Budapest Airport until April 2009. Together with his team, he held several stakeholder meetings at Rákoshegy, where they met the locals and informed them about the nature of noise and what the airport's noise management strategies were. He is well aware of the problems the community faces but he also declares that any restriction on the runways is impossible if aviation safety regulations are to be met. He emphasizes that the airport management did everything within its power to mitigate the negative consequences of being the second biggest airport among the newest EU countries. The airport's noise relief program was especially designed to protect those residents who live in the vicinity of the airport.

3.1.2. The Expansion of the Airport and the Problems it Created

In order to understand the woes of the locals and the reason of high levels of noise exposure, it is useful to graphically illustrate the closeness of the community and the runways. Figure 1. shows the airport which is located sixteen kilometers from the city centre in a peripheral district of Budapest, in the boundary of three settlements: Pestszentlőrinc, Rákoshegy and Vecsés. The position of the runways is designed according to the dominant wind direction since airplanes land and take off against the wind for the sake of safety. In Budapest the wind is predominantly north-westernly, hence the north-west and south-east axis of the runways. Runway one is the left diagonal white line and runway two lies next to it to the right. The most noise-affected parts of Rákoshegy are signaled by the turquoise contour. The yellow line represents the “air bridges” which planes have to follow at landing and taking off. The individual red line shows where planes are not supposed to fly, however, in practice

many do.

Figure 1. Areal picture showing the airport, its two parallel runways and the affected neighborhood at Rákoshegy. (By courtesy of István Deák, 11.01.2013)

The root of the present day struggles can be dated back to 1983, when the second runway was built. In order to see the events unfold we briefly have to review the recent history of the airport. Ever since the airport was opened in the early 1940s it saw a continuous increase in passenger traffic, which in turn called for increased capacity, expansion and infrastructural developments. In the 1970s passenger traffic reached one million and runway one soon reached its highest limit of capacity: the construction of a new runway was necessary. (Budapest Airport 2013) The new runway, runway two, was

completed in 1983 and originally its purpose was to take over runway one's traffic load temporarily while it was reconstructed. Between 1983 and 1987 runway two serviced the one million-volume passenger traffic all alone. However, when the second runway was planned, a serious mistake was committed: the designers ignored the construction safety regulations, which prescribed that runways must be five kilometers away from any inhabited area. Runway two was built only 1,6 kilometers away from the residential premises of Rákoshegy, an area which has been inhabited from the early 1900s and which used to be popular for its suburban calm, detached houses and big gardens. The designers thought that since runway two will only serve as a temporary relief for runway one – and later as a technical base for the maintenance of Hungarian flag-carrier aircraft – there was no need to observe the rules.

Due to the increased traffic on runway two in the 1980s and the closeness of the residential areas of Rákoshegy, serious accidents happened soon after the runway was opened. István enumerates the tragic events: once the turbulence of a descending plane flew too close to the rooftops, lifted the roof-tiles and smashed them to the ground. Another time, a man walking on the street was thrown off balance and crashed to a bin that caused internal bleeding and the man died in the complications afterwards. Thus, a ministerial decree in 1984 restricted the use of the Rákoshegy-end of runway two: landing was totally banned and flying over the neighborhood after take-off was forbidden. The decree furthermore earmarked so called “noise relief zones” and defined the sound pressure levels within them. This regulation is still valid today, landing, however, was allowed in 1997 and in 2004 a modification of the ministerial decree restored the 1984 noise levels despite a six-fold increase in the airport's passenger traffic since the 1980s. This was a real blow to the residents as it will be shown later. But first let us see what noise relief zones are, why airports need to have them and how they are designated.

3.1.3. The Environmental Licensing Process and the Role of the Environmental Authority

In order to operate an airport in a safe and orderly way there are several safety requirements

which have to be fulfilled. These are general international regulations which are codified in Hungarian aviation and environmental law as well. According to these laws the airport operator has to prepare an environmental impact assessment which defines how land can be managed around the airport and what safety and health measures have to be executed. This assessment takes stock of all possible environmental stresses that air traffic causes, such as noise, vibration, air pollution, even altered property use habits. Noise is one of the most important factors that has to be taken into consideration and as a consequence noise is the most regulated aspect of environmental licensing. (Deák interview:12.12.2012.) As part of the environmental impact assessment, a noise impact assessment has to be conducted which includes the intensity of noise impact in the vicinity of the airport and an assessment of the adverse health effects of noise. On the basis of this assessment a "noise map" is prepared by noise-modeling experts which indicates different noise exposure levels in the area. In 1983, several noise relief zones were set up around Budapest Airport which were classified according to the noise exposure levels within them.

Certain noise control measures have to be observed within these zones in order to protect people from the harmful effects of noise. In zone one, for example, where the noise impact exceeds average 75dB, noise is so harmful for human health that it makes it unsuitable for residence. If it turns out that aircraft noise exceeds the limit in a certain noise relief zone, the state has to relocate inhabitants and pay a compensation for their property. In other zones other actions have to be taken, such as isolating the windows or insulating the walls. In order to obtain an environmental license, the airport has to send the environmental impact assessment (including the noise assessment) to the regional environmental authority, which, if approves of it, issues a license to the airport for a certain period. However, if the data on health and environmental impacts is not adequate, the license cannot be granted. Thus, the regional environmental authority has a key role in enforcing the law and shoulders much of the responsibility for environmental protection.

3.1.4. Legal Harmonization

Since the ministerial degree restricted the use of the Rákoshegy end of runway two, it was

hardly ever used. The late 1990s was a period of legal harmonization, which was a prerequisite for Hungary to become a member of the EU. Like regulation of most matters, rules of aviation had to be brought in line with those of the EU. Hungarian air traffic regulations had to be streamlined as well in order to be consistent with the legal standards of other member states. According to the new EU-compliant legislation, air traffic regulations could not be defined by ministerial decrees any more and the designation of the noise relief zones and air traffic routes fell into the competence of the Directorate for Aviation, a supervising authority under the auspices of the Ministry of Transport. (Deák interview: 12.12.2012) Moreover, the directives were not always compatible with Hungarian legislation and resulted in a number of mismatches in responsibilities, terminology and noise assessment methods. (Szili interview:20.11.2012)

In the course of the harmonization process a new governmental decree was passed, which for some reason lifted the ban on landing on the Rákoshegy-end.[36] A temporary provision was inserted which allowed 15% of the planes to take off from the originally banned end of the runway and 5% to land on it. (Deák interview: 12.12.2012) Nominally the figures do not seem much but considering the airport's yearly 125.000 operations (in 2006), it does amount to considerable traffic over Rákoshegy. Despite a ban on heavy turbulence aircraft – which weigh more than 100 tons e.g. Antonov Ruslan and Cargolux cargo aircrafts – these planes also began using this runway end since their weight and maneuvering capacity makes them unsuitable to take off safely from runway one. The same decree set 1998 as the deadline for earmarking the noise relief zones. However, the designation of the zones has not happened to the present day. This resulted in the unique situation that Budapest Airport is the only airport in Hungary which has no valid safety and nose relief zones around it since 1998. (Szili interview: 20.11.2012) Why were the zones not earmarked on time?

36 Péter offers a reason for this, which is difficult to discredit. The Ministry of Transport has always strongly backed the interests of the airport in the debates on noise. Since legislation on aviation is created by the ministry, it is perhaps not a coincidence that legislation is adjusted to the needs of the airport or that state authorities have never found any evidence that the airport violated the law. The established *modus operandi* is that the tune the Ministry of Transport calls, considerably limits the environmental authority's scope of action. This makes the environmental authority less autonomous when it comes to decision-making. Since the ministry represents bigger economic and political interests, the environmental authority has difficulty withstanding the powerful transport lobby. (Szili interview:20.11.2012) According to the airport's own estimates, Budapest Airport contributed 1.24% to the GDP in 2009. (Budapest Airport 2013b) It also provides jobs for thousands in the relatively poor, neighboring districts. Such overall benefits might also contribute to downplaying the social and environmental costs of noise pollution.

Continuous delays, bureaucratic inertia and appeals against the airport's environmental impact assessment has so far set back the Aviation Directorate from designating the zones. Although in 2002 the directorate accepted the airport's noise assessment and decided on the nose relief zones the National Transport Authority appealed against it and the plans about the designation were dropped. The directorate then initiated a new procedure, but since the impact assessment was not sent to the local governments concerned, the case got stalled again. When the directorate finally approved of the airport's assessment, this time the local governments of the 17th and 18th districts appealed, due to formal shortcomings and because they doubted the airport's predicted volume of air traffic. Later on, the airport itself requested the revision of its own traffic estimate for 2002-2012, because they already reached the maximum traffic volume in 2005. (Deák interview:12.12.2012) There are many examples of such "documentation ping-pong" which still goes on between the airport, the environmental and aviation authorities and the local governments. These endless struggles resulted in the present situation that the airport still has not got an up-to-date environmental impact assessment, as a consequence, it has no license since 1998 and the noise relief zones do not correspond to present volumes of noise impact. (Szili interview:20.11.2012)

3.1.5. The Latest Creative Legislation

When it became obvious that the airport would not be able to keep its latest deadline to deliver its impact assessment and as a consequence was on the brink of losing its permission to operate the airport; a modification of the 1997 decree in 2004 restored the noise levels of 1984. (Deák interview:12.12.2012) A new clause was smuggled in again, which permitted the airport to obtain an operation permit as long as it has *initiated* the earmarking process and submitted a noise control program to the aviation directorate, regardless of the fact that the environmental authority had not evaluated the documentation. The passing of the decree was a nasty hit, for many reasons. First, the decree was accepted on 26th December, Christmas day, when it met the least resistance. Second, according to the 1984 decree Rákoshegy belonged to a much lower noise classification than the present noise levels

would necessitate. Third and worst, the decree allowed the airport to operate and obtain an operation permit despite having an environmental license. In theory, this also allows authorities to prolong the licensing process as long as they want to provided the airport has *initiated* the process. Since the airport did initiate the licensing process in 2005 at the environmental authority, the Aviation Directorate granted it a license to operate. (Deák interview:12.12.2012) This is the most annoying aspect of the affair for people living in Rákoshegy, since without regulations on the noise relief zones they are not entitled to any protective measures and have to suffer unnecessarily high levels of noise.

Although the airport did start a noise control program – insulated some houses, installed a noise monitoring system and built a noise absorbing wall – it still had no valid license. According to István, the program was only a side-activity which is weightless without the environmental impact assessment which includes more than noise protection measures e.g. safety, pollution.[37] He points out the dilemma that as long as independent experts do not prepare the necessary impact assessment, there is no reliable set of data which would predicate further action. While locals claim that the vibration caused by passing aircraft can be so strong to crack the walls, the airport management denies that airplanes can cause such damage. A reliable environmental procedure would be the solution to sort out what environmental effects air traffic really has and what measures are necessary to prevent any damage. In fact, the main responsibility lies more in the hands of the regional environmental authority than the airport since its duty would be to enforce the law and compel the airport to prepare the impact assessment. (Szili interview:20.11.2012)[38]

The situation is further aggravated by the fact that a considerable amount of the ever-increasing traffic is conducted only a few hundred meters over the residential areas of Rákoshegy, since most of the case pilots do not follow the air bridge prescribed to them by the air traffic control tower (Deák interview:12.12.2012). According to the law, pilots have to avoid the neighborhood by taking a sharp turn towards runway one (yellow curved line

37 The noise control program has a bad reputation in Rákoshegy. Rumors say that the insulation program was a scam: apart from superficial tinkering, nothing much happened. The owners, in exchange, were asked to sign a document declaring that the noise relief measures were adequate and that they renounce their right to complain afterwards. This relieves the airport form executing a thorough noise management program in case it will be obliged to do it (Deák interview:12.12.2012).

38 The way the airport so far got around the problem was that it obtained a different type of environmental license from the authority, a so called "environmental *operational* license". This type of license does not require an environmental impact assessment, the airport's own voluntary evaluation which declares that it does not pollute the environment is enough. According to the environmental law, however, this license does not empower them to operate the airport (Deák interview: 12.12.2012).

on *Figure 1*). They, however, often fly right above the neighborhood, claiming safety reasons even when digression from the prescribed path is not justified. Air traffic controllers have no say in pilots' decisions since pilots can set the route on their own discretion. The data on digression is controversial: according to the airport's data, the volume of digression has continuously decreased over the years and in 2009 it amounted to be only 0.1 % of the total traffic, an insignificant amount, argues the management (Hardy 2010). A study, however, carried out by the local government of the 17th district shows that 72% of the pilots digress and simply buzz off over Rákoshegy.[39]

3.2. A Local Association Swings into Action

Grievances about the noise run deep. At a community meeting at Rákoshegy I heard many complain: "When I pointed out to the airport's lawyer that the noise was intolerable, she asked me why on earth I moved there. I told her that I cannot help it, I was born there even before the airport was built! She then asked me why I did not sell my house. I replied: no one will buy it, will *you* buy it?!" Another man tells me about a another incident: "Once the turbulence of a passing airplane was so strong that it took up the rocking-chair from my friend's garden and crashed it to a car. Imagine if his kid was playing out on the terrace!" These complaints are well known to the locals and could be endlessly continued: they cannot sleep at night, they have to take sleeping pills, and in the summer they cannot open the bedroom windows or go out to their gardens because of the noise. Since planes pass only a few hundred meters above the rooftops, the turbulence of the aircraft is strong enough to sweep tiles off the roofs and crack the walls. Locals find it difficult to sell their houses, since the noise considerably devaluates the value of their properties (IngatlanMax 2007). The locals and the association believe that there are more planes flying over Rákoshegy than is allowed and they claim that even the valid regulations are breached in several ways.

39 Another problem is that the procedural order of the airport allows much more airplanes to land and take off at night than the law would allow. Since the number of night flights is strictly limited, pilots register their request to take off at 23:59, which still belongs to the day-period although the plane will not take off until one hour later (Deák interview: 12.12.2012).

Some have given up the fight due to 'combat fatigue' but some of them will not rest until they have been proved right. A local organization called Rákoshegy Airspace Association was among the first ones to take up the issue. It was established in 2007 by a lawyer, Krisztina, who bought her property when Rákoshegy was still a calm, livable neighborhood but she soon became irritated about the gradually increasing aircraft noise. As a result of a boom of discount airlines in the early 2000s, noise became so unbearable that she could neither relax nor work at home any more. By 2006, the number of flight operations increased by 160% compared to 2003. She was not alone since many other residents felt that their living conditions turned to the worse due to the gradual expansion of the traffic. She established contact with others locals who felt that the situation was untenable and closely cooperated with another local NGO, which originally filed the lawsuit against the airport in 2006.[40] The announcement of the NGO Fund in 2008 offered a perfect opportunity for the organization to break through since resources were desperately needed for the newly established CSO to finance its activities.

The local government was one of the associations main partners as it was very supportive of the local problems. The mayor even handed in a petition to the constitutional court in 2008, claiming that the 1997 decree and the current noise levels were unconstitutional as they denied locals' right to lead a healthy life. He even financially supported the individual damages lawsuit of István, which, as of late 2012, has not been concluded yet (Deák interview:12.12.2012).[41] The fact that the NGO was cooperating with the local government increased the association's authoritative powers and scaled up the conflict to higher political levels as well. Since the mayor was also a member of parliament, the local issue of noise had the potential to be propelled to the national political agenda.[42]

40 The lawsuit was originally initiated by an older, more established civil society organization in 2006 but the court was unable to deliver a well-founded judgement then on the highly technical issue of noise impact since it lacked sufficient expertise. In 2010 the case was reopened and the court called upon a judicial expert to investigate whether the airport observed the noise limits or not.

41 While the dispute between the airport and the locals is often portrayed as a gross injustice done to the locals, Szollár points out that the mayor purposefully whipped up locals' emotions against the airport in order to capitalize politically on the conflict. The decree modification and the boom in budget flights overlapped with the 2004 elections, and the mayor with a strategic move made the conflict a center-piece of his election campaign. Embracing István's case was no coincidence, since it served the sole purpose of gaining popular support in order to win the elections. He also notes that interestingly after the next round of elections in 2010, the anti-airport propaganda completely disappeared from the mayor's agenda, most likely because he was unable to offer a solution to the local problem (Szollár interview:15.12.2012).

42 István expresses his resentments over the fact that the mayor is less and less responsive to the local's needs and that he fails to put pressure on the government. István holds it against the mayor that he was more critical of the airport when he was in opposition to the ruling socialist party and that his priorities

The fact that the mayor embraced the local's issue most probably contributed to the wide media attention the conflict enjoyed.

Domokos Szollár, the spokesman of the airport, sees the situation from another perspective. He asserts that the airport management was responsive to the locals' grievances and did not shy away from communication. The PR team organized several community meetings where he and his communications team explained the sources and general properties of airport noise and informed the locals about the noise relief program which the airport conducted. Szollár emphasizes that the first steps to engage in a real dialogue with neighboring communities were taken by the British management (British Airways operated the airport at the time). They tried to make a genuine effort to help locals understand all aspects of noise and its regulation "in order to help them see the whole picture" (Szollár interview:15.12.2012). Unlike the former state-owned company which ran the airport, the management tried its best to be more responsive to the needs of the community and to get into contact with them (Szollár interview: 15.12.2012). As part of its noise mitigation program, the airport set up a specialized team to deal with noise issues, it insulated the bedroom windows of several houses and raised a wall between the terminals to decrease the noise impact.

The situation, however, did not turn out to improve much. Communication with the authorities and the airport turned more and more fiery and after years of pleading, promises were still unfulfilled (Szili interview:20.11.2012). The conflict reached its apogee when runway one was closed down for maintenance works and the whole traffic was diverted to runway two for 42 days in the spring of 2009. The block on runway one significantly increased the traffic on the Rákoshegy-end and aircraft turbulence ruined several properties during this period. Even the airport's own monitoring showed that the airport exceeded the 45dB night noise limit several times. The association found it outrageous that the Aviation Directorate relieved the airport from any legal consequences although it violated the regulations. The authority argued that closing down the runway was an "extraordinary circumstance" and that in situations like this it is impossible to observe the noise threshold. Rákoshegy Airspace Association joined the lawsuit against the airport and Krisztina stepped up as the legal representative of the community during the trial. Since her relatively newly

suddenly changed after *Fidesz* (the mayor's party) won the elections in 2010 (Association for Orderly Aviation's open letter to Levente Riz).

founded organization did not have such a broad civil support and membership base as the older and more general-purpose NGO, they decided that at the court trial Krisztina would represent the larger organization. This way, the smaller NGO's legal expertise was combined with the constituent base of the larger NGO, thus achieving higher legitimacy in representing local interest in the court case (Szili interview:20.11.2012).

3.3. Discussion

3.3.1. Monitoring Power

Before jumping to the results of the court case, let us see what the organization actually did preceding the court case and what strategies it chose in order to make decision-makers and the airport more responsive to noise pollution. The association had two main overarching objectives which constituted the basis of their EEA and Norway Grants project (Rákoshegy Airspace Association). The first one was to achieve wider participation in the decision-making processes on legislative and economic issues connected to the airport. In the CSO's view, such decisions cannot be made without informing and consulting those individuals who live in the vicinity of the airport and they have to be granted the right to be involved in decision-making which potentially affects their lives. In order to achieve wider participation, they wanted to transform the current regulations about “procedural guarantees” which safeguard that the process of decision-making is fair (Rákoshegy Airspace Association 2010). Procedural guarantees include a range of obligations during decision-making: affected individuals have to be given sufficient information, they have to be adequately involved in decision-making and they have to be given a chance to contribute and protect their interests. Their second objective was to include a noise-mapping expert in the work of the organization and to train the organization members in noise issues. This was a necessary step in order to understand the highly-technical aspects of noise measurement and to be able to produce reliable data themselves. Correspondingly to these main objectives, the association engaged in a wide array of activities.

Firstly, they requested various types of data from the environmental and aviation authorities and the airport in order to make documents of public concern available. They

obtained data on noise monitoring from the airport which the organization's own expert used later in his assessment. They obtained information on plane routes from the air traffic controllers in order to see whether there were digressions from the prescribed routes and whether they were justified. They also made public the airport's privatization contract with the state and requested information on what the airport used the “noise fees” for. This money is collected from airways and it is supposed to be spent on noise mitigation programs according to the regulations. They also requested the former environmental licenses of the airport in order to see what kind of environmental impact assessment these were based on. The CSO's main aim was to get hold of this information and if the impact assessment was missing, force them to make it. The association was arguing at a stakeholder conference that data like these should be publicized online in an environmental information system which is available for everyone.

Secondly, in order to enforce the interests of the locals, the association repeatedly called upon the authorities – both personally and through correspondence – and requested them to come to a conclusion regarding the impact assessment: if it is unacceptable it has to be refused and the airport has to shoulder the responsibilities (e.g. being sanctioned) or else, if it is acceptable then the zones have to be earmarked but then the state has to shoulder the responsibilities (e.g. relocate people). The problem seems to be that as long as the law does not define explicitly what each authority's responsibility is, they can hide behind the law and shirk their duties. The trend seems to be that whenever the airport hands in its documentation, the authorities drag out the process for years without accepting or refusing it, and if it has not already lapsed, then refuse the documentation owing to legal-technical shortcomings (Deák interview:12.12.2012).[43]

Thirdly, the members of the association took part in various stakeholder consultation forums which aimed to bring together affected people in order to guarantee diverse interests to come to the surface, for example when drafting a modification to a law.[44] The

43 When the airport was privatized, the state and the new management agreed in the privatization contract that in case the government changes the legal environment in a way which would significantly increase the expenses of the airport, then the airport' management can consider it a “state intervention” which automatically triggers a compensation clause in the privatization agreement for the financial loss. This contract ties the hands of the state to enact laws which would confer expensive measures on the airport (Szili interview: 20.10.2012).

44 The 1995 environmental law provides environmental organizations with a special status – “client” status – which allows them to participate in administrative decision-making related to the environment. This also entitles ENGOs to take part in certain procedures, such as environmental impact assessment. Organizations have the right to express their opinion, raise awareness to neglected problems and influence

association's aim was, on the one hand, to nail the authorities and make them force the airport to prepare an environmental assessment and to take part in these assessments and on the other hand, to restore the former ban on the Rákoshegy-end of the runway. At these forums they repeatedly expressed their objection to the conduct of the regional environmental authority and they pushed for the creation of orderly procedures where the responsibilities of the parties is clear-cut. Although successive managements all handed in revised documentations of impact assessment, the responsible authorities either threw them back or delayed the process until it eventually lapsed. A likely explanation for the delays according to István is that the authorities protract the earmarking procedures in order to avoid the consequences: as soon as the zones are set up, it becomes the state's responsibility to relocate inhabitants living in the innermost relief zones, which would cost a fortune to the state. (Deák interview:12.12.2012) By postponing earmarking, the authorities are saving money but at the same time they avoid their duties. In order to remedy this problem, the CSO proposed changes to the ambiguities of existing regulations: there should be more legislative control over the authorities or sanctions which deter them from delaying the designation of the noise relief zones. The CSO argued that according to the law, the boom in traffic and the increased use of the Rákoshegy-end in itself necessitated that the authorities crack down upon the airport and review its environmental impact. The authorities, however, did not consider traffic to have increased so much to trigger renewed control. Often the disagreements were caused by differing readings of the laws (Szili interview: 20.10.2012).

In practice, however, they had to face the fact that the opportunities for participation was more limited than they had imagined. At a stakeholder conference on a major developmental project which aimed to increase the airports' passenger capacity significantly, not even the representatives of the local government were granted participation, although increased passenger traffic affected the whole vicinity of the airport. The airport argued that since the development project is located on land rented only from of the 18th district, the extension has no effect on the 17th district and as a consequence it has no right to be present at the stakeholder conference (Szili interview: 20.10.2012).[45] On the other hand,

decision-making. The client status also entitles them to appeal against decisions of environmental licensing procedures and as a last resort to file lawsuits (USAID CSOSI 2011:93).

45 It is interesting to compare the advocacy activities of the two districts. While civil society organizations and the local government of the 17th district has been quite active in kicking up a fuss over the noise problems, the 18th district was much more silent in scolding the airport. Péter suspects the 18th district has good reasons why not to meddle in the airport's affairs: the airport pays a hefty local business tax to the

participation does not guarantee that civil society organizations' opinion in these matters will be payed due heed to. Krisztina laments in an official letter written to the Ministry of Transport that during the stakeholder consultations on a draft legislation the associations remarks were not taken into consideration at all.

The fourth strategy, and perhaps the most prominent one was to employ an independent noise-mapping expert and measure the noise levels at Rákoshegy. This was a crucial step, since the association had doubts about the airport's own monitoring results and Krisztina an Péter wanted to find it out themselves whether the results were reliable.[46] This element of their project was not only the most prominent but the most expensive as well. Without the funds they would never have been able to finance the noise expert's knowledge and the rental fee for the monitoring equipment (Szili interview: 20.10.2012). By cooperating with a noise expert they managed to take part in the predominantly technical debate which formed the basis of the issues concerning noise measurement. With the help of the expert they measured noise levels on a few, randomly chosen days and then compared the data to the airport's on results. Although the measurements did not show significant difference between the two sets of data during the monitored days, it became clear that the present method of calculating noise impact is distorted. The established practice is to differentiate between a 16-hour daytime average sound level and an 8-hour average night level. The problem with this calculation is that it expresses average sound levels and does not take into consideration distinct events of noise, such as the explosion-like noise aircrafts produce. This “sonic boom” typically happens when the engines of taking off airplanes are geared to maximum performance (WHO 1999:49). For example, enduring a continuous average noise level of 45 dB is much easier than tolerating the same noise level under a very short period of time. That is why in a 45 dB noise pressure limitation which is averaged over a 8-hour night period, a threshold-breaching 60-120 dB momentary noise event simply “disappears”. This is especially disturbing for the neighborhood at night when unpredictable aircraft noise takes them unawares. The analysis also pointed out that the threshold value for

district since the airport buildings administratively belong there (Szili interview:20.10.2012). The airport also signed “agreements of cooperation” with the 18th district which has the whiff of a bribe: as long as the 18th district is willing to cooperate with the airport, it financially supports the local government. (Budapest Airport 2013)

46 According to the 2004 decree, a noise monitoring system has to be operated by the airport. The fact that monitoring data is produced by the same institution which emits the noise makes the reliability of the data slightly doubtful.

the airport's monitoring machine is unnecessarily high to register noise as a flight event, which means that an unrealistically high number of planes have to pass by in order to breach noise pressure limits.

Since the organization did not have enough resources to conduct a larger-scale monitoring test, they decided to focus on the individual perceptions of noise exposure instead (Szili interview: 20.10.2012). The association argued that the assessment of the health impacts of the noise was necessary as well since the established method of noise measurement did not take into consideration the disturbing, health-impairing effects of noise pollution. Most endangered are those 2500 people who live in the innermost noise relief zone and who suffer noise at all levels from 65 dB to an excruciating 75 dB. (Rákoshegy Airspace Association 2010b) Night-time noise, due to its unpredictability, can be related to several negative heath affects. According to WHO if negative affects on sleep are to be avoided, the equivalent sound pressure level should not exceed 30 dBA indoors for continuous noise (WHO 1999:46). Disturbed sleep can be associated with a number of short-term and long-term health problems: from primarily sleep disturbances such as awakenings, alternations in sleep depth and increased blood pressure to after-effects such as fatigue, depressed mood, irritability and decreased performance (WHO 1999:44). It has also been documented, mainly in shift workers and children, that noise can adversely affect the performance of cognitive tasks, such as reading, problem solving and memorization (WHO 1999:49). Excessive daytime sleepiness and cognitive deficit caused by chronic sleep debt is thus a major public health problem since it interferes with with daily activities.

To sum it up, the activities of the organization can be understood as a series of interrelated activities of monitoring. The monitory activities on a technical level comprised the actual noise monitoring of aircraft noise and on a political level it meant monitoring the activities of public authorities. By pointing out the anomalies of legislation and reminding authorities of their duties the association functioned both as a “signaling platform” and a potential check upon the institutions of the state (Keane 2004:15). My next questions are the following: in what ways was the EEA and Norway Grants a decisive factor for the organization to fulfill its role as a watchdog? How did the organization mobilize financial resources to reach a maximum effect?

3.3.2. The Role of the Grants – Contribution to Monitory Democracy

The role of the grants in the association's activities can be best contextualized and understood from the perspective of Keane's theoretical framework of monitory democracy. Civil society and democratization theories have increasingly pointed out that conventional, representative forms of democracy are stagnating because they are unable to activate, channel and aggregate the diverse voices of citizens in modern democracies (Törnquist 2009, Edwards 2011:5). Keane finds the antidote to conventional democracy in the monitory functions of civil society, which provide extra-parliamentary avenues to check and balance power. He draws on a rich theoretical tradition of contemporary democratic thinking by putting forward the thesis: we are entering the age of monitory democracy when "bossy power can no longer hide comfortably behind private masks" because power relations are increasingly subjected to various watchdogs which constantly press for greater accountability (Keane 2013:47). The nature of democracy and decision-making recently went through a twofold transformation: while the grip of elections, political parties and parliaments on citizens' lives is weakening, 'independent' and 'neutral' monitors of power begin to carve a space out for themselves. The institutions of representative democracy are gradually losing their pivotal position in politics as new forms of monitory mechanisms "protect the rules of the democratic game" (Keane 2013:24).

This change has been taking place in liberal democracies from the mid-twentieth century when the form of representative democracy went through a transition into a new historical form of "post-representative democracy" (Keane 2013:22). It all started with the birth of hundreds of new power-scrutinizing institutions unknown to previous democratic systems. These encompass a wide array of inventions: from electoral commissions through consumer protection agencies to global watchdog organizations and think tanks (Keane 2013:24). These monitors, which often claim to be independent by acting "in the name of the people" paradoxically often operate without any elected representatives. They put decision-makers and other power holders to task, complicate their lives, question their authority and force them to change their agendas using various strategies (Keane 2013:23). In Keane's view, monitory democracy is the newest, most advanced form of democracy yet where power-exercising people and institutions are increasingly subjected to public

monitoring. These new monitory organizations guarantee that citizens can give voice to their concerns, problems and opinions through new channels. These scrutinizing mechanisms play various roles: they provide citizens with better information about the performance of various governmental and non-governmental bodies, they promote public standards and ethical rules and most importantly, they enfranchise and strengthen the diversity of citizens' voices (Keane 2013:26). These monitory mechanisms concentrate on different dimensions on different levels: from the dimensions of citizens' inputs to policy outputs; from the local level to global networks (Keane 2013:25). This new form of democracy has new contours and new dynamics which fundamentally change the nature of self-governing because for the first time in history democracy means more than free and fair elections (Keane 2013:23). How does Keane's conception of these new power-scrutinizing mechanisms illuminate the present case? How does it inform the role of foreign assistance in the monitory functions of civil society?

This case demonstrates that the association is one of those many power-scrutinizing organizations which keep power on hold. By sponsoring them the EEA and Norway Grants indirectly contributed to the development of monitory democracy by facilitating pressure "from below". The association's functioning as a watchdog is a perfect manifestation of the process monitory democracy comes about. By keeping a close eye on state institutions and keeping a tab on policy outputs and big business, the organization brought greater public accountability and transparency about. The year-long research of archives to track legal changes and historical data on the airport; requesting, in the name of the public, the disclosure of official records and documents which would otherwise have remained hidden; taking part in various forums of stakeholder consultation; and monitoring the noise levels *per se* are all examples of their monitoring activities. The association through these activities disputed and checked power by keeping a critical eye on new legislation, revealed controversies in the current regulation and gave voice to the concern of those 8.000 affected people who felt left out of decision-making which touched upon their lives. With the help of the grants the organization could independently represent those who alone stood slim chances of receiving legal remedy or financial compensation. While almost all individual trespass lawsuits failed before, the organization due to its local support had the potential to step up more forcefully against the airport (Deák interview:12.12.2012).

The relevance of the association's activities can be grasped better if we consider that

this was the first time in the airport's history when affected citizens took the initiative to take matters in their own hands and challenged the airport and the authorities in order to achieve democratic improvements of the system, such as enforcing greater participation in decision-making and nudging the authorities to tend to their duties at last (Szili interview: 20.10.2012). They contested policy outputs produced by the state which had local footprints and they tried to enforce public standards and ethical rules. The high conflict potential of civil society was manifest in this case: threatening the authorities with a lawsuit in order to obtain public information and scuffles and skirmishes over who decides on what, when and how were equally part of civil society-state relations as attempts to achieve "forms of cooperation" (Rákoshegy Airspace Association 2010). The grants first and foremost helped multiply the pinching effect of civil society since the CSO made decision-makers aware of the fact that nobody is entitled to rule without the consent of the governed (Keane 2013:32).

Another aspect of the association's scrutinizing activity was to put pressure on different levels of state institutions and call on them to observe the law which sets a limit on air traffic over Rákoshegy. They did this by going through all steps of the public institutional hierarchy: form the Aviation Directorate through the National Transport Authority and finally to the Ministry of Transport, pushing their case until they found the responsible and competent person to responded to their problems. The importance of the grants lies in the fact that if the organization did not strive to achieve changes in the present malpractice, then the anomalies in the regulations might never have surfaced otherwise and the *status quo* would most likely have remained. In a well-functioning democracy it would be automatic that authorities regulate an airport without anyone having to sue them for malpractice (Deák interview:12.12.2012). It was an explicit aim of the grants to support "an active civil society, which is the mouthpiece of democratic standards, correctives of the parliamentary democracy and an arena for wider popular participation in political processes" (UD 2010:11). The grants gave the organization a muscle to demand such participation in decision-making, since often there is no political will to involve environmental organizations in the preparation of decisions or to deal with the local problem of noise.[47] Participation in decision-making is practically always a grassroots initiative and it requires a firm representation of interests and a commanding presence from civil society

47 On a civil society forum the under-secretary of the Ministry of Rural Development declared that there is no point in dealing with the noise issue and he doubted the situation in the airport's vicinity would change in the near-future. At the same time he acknowledged the fact that the airport violates the regulations and it should be closed (Association for Orderly Aviation's open letter to Levente Riz).

members (Móra interview 08.10.2012). As a consequence, it has to be clear on a community level what people expect of the state, otherwise the state will not be able to respond to those needs (Szili interview:20.10.2012). In other words:

> Institutions are unable to create and produce that popular will which decision-makers in theory represent during their work. It is only the community of citizens, the public opinion that is able to produce that will. And public opinion only comes into existence if people share their opinion with each other, and especially if public life becomes visible for political decision-makers. (Hammer cited in Bíró 2002:75)

This is why external support proved so important, since it made civil society visible for decision-makers and empowered them to put pressure on state institutions to be more responsive to public needs.

On the other hand, there is no doubt the grants meant a lifeline for the organization. Although grassroots organizations make important contributions to policy activities at the local level and take action on behalf of their members, these organizations are often overlooked by governments, agencies and foundations. Their modest resources mainly consist of membership fees and individual donations. (Carmin 2010:202) The fact that the grant sizes were diversified according to Hungarian civil society needs "broke down the barriers" for smaller, less experienced organizations for whom accessing international funding is usually rather challenging (Pitija 2010:ix).[48] Furthermore, the government often prefers to support and contract service-providing NGOs rather than strengthening those CSOs engaged in "change work" and which are likely to be critical towards the state (Kuti 2006:352, Pitija 2010:7). The reason for this is that "…often – especially in environmental issues – greens get into conflicts with the central political power or development plans, and it is a deep-rooted fixation of politicians that criticism is an offense" (Móra interview:08.10.2012). Why would the state feed watchdogs which might bite its hand in the future? In this context the funds, which amounted to €10.800 (Szili interview:20.10.2012) were essential for the association which – according to an official letter – did not even have enough resources to cover the expenses of a court case in 2009 which was a mere 15.000

48 Two sets of funding was available for civil society organizations according to the volume of the project and the organization's capacity: for smaller projects €5-25.000 and for bigger ones €25-80.000 was available. In Hungary the grants sizes were relatively small in order to increase the number of projects (Pitija 2010:17).

HUF (€50).

External funding also solved the dilemma many civil society organizations face today: while it is a key aspect of their independence to distance themselves from the state, financial realities nevertheless force them to turn to the state for support (Kuti 2008:352). Insufficient resources make it very difficult for CSOs to carry out monitory and advocacy jobs while it is of crucial importance that CSOs stand out for the interest of their constituencies, advocate environmental justice and improve the quality of democracy. It is especially important in this context that the allocative system of the NGO Fund is controlled by civil society members who can make funds available for projects which otherwise might not be financed by the government. This system also made it possible to support organizations whose work is considered important by other civil society actors.

The grants were also very important from the point of view of helping the ENGO to produce independent scientific data. Similarly to environmentalists of the Danube movement, knowing the scientific truth about their environment was crucial for the association. Similarly to the role of foreign funding in the early 1990s, the grant played an important role in facilitating civil control over data on noise exposure. Monitoring actual noise levels, however, had a serious financial cost and without the grants the CSO would not have been able to draw the conclusions about the shortcomings of the current method of noise measurement. The grants were essential for the association members to comprehend the intricate technical aspects of the prevailing quality-of-life problems and to establish their own 'truth'. Their scientific savvy also gave them a lever over the airport and the environmental authority, which had been the sole possessors of monitoring technology hitherto.

With a Foucauldian twist we may say that by being able to control a technology (monitoring technology), the CSO also assumed power through it (Eichelberger 2012:149, Lipschutz & Mayer1996:139). Krisztina and Péter understood that despite its perceived concreteness and preciseness, the present method of noise measurement – on which noise management policy was built – is a mere construction, a representational form which relies on a purposely *selected* set of features of noise impact and as such does not necessarily represent 'reality' (Agrawal 2005:37).[49] The grants empowered the organization to have

49 According to this conception the present noise measurement method gives only a limited representation of reality because noise is measured over a considerably long period (16-hour average during the day), which “conceals” the momentary spikes in noise levels. On the other hand, the method ignores subjective,

monitoring technology themselves and relieved them from being dependent on outside entities for technical information on the environment. Thus the possession of independent knowledge altered the power relationship between the association, the authorities and the airport. The CSO itself had the tool, which made it similarly strong – they understood the reasons behind noise impact calculation and they could take part in the technical debate as equal partners. By having access to technology themselves, the association could problematize the airport's "proof" on grounds of methodology. They questioned the choices on which noise measurement was based and raised questions which no one else did before: is it justified to average noise impact? Is it justified to ignore its psychological and physical effects? Perhaps there is a mistake in the way noise is measured, that is why the airport's own data never shows any digression from the legal threshold? As they doubted whether existing rules are faithful representations of an underlying uncontested reality, the CSO re-politicized the method of calculation (Agrawal 2005:37).

3.3.3. The Court Case – NGO Proved Right

The public interest litigation which was launched in 2006 became a high profile and expensive district court case by 2010. In this second round, a psychologist and a neurologist were called on by the court to examine the physiological and the psychological aspects of noise impact on the locals. A judicial expert was also commissioned to investigate the topic from a technical point of view and to come to a conclusion relying on all existing knowledge on the issue. The conclusions of the court case proved the association right in many respects.[50]

In concert with the organization's noise-mapping expert the judicial expert also ascertained that the present method of measuring average noise levels is distorted since it does not express the disturbing, health-impairing effects of individual aircraft noise. He also

psychological effect of noise. It was a crucial step to address the issues of measurement, since measurement methods are followed up by noise management policies, which as a consequence might not respond to all aspects of noise exposure. Methodology is only an *interpretation* of reality and if the interpretation is selective, corresponding policy will be as well.

50 In this section I relied on the sources I enumerated in the introduction of the chapter, especially the verdict of the court and the opinion of the judicial expert.

pointed out other distorting aspect of the airport's noise monitoring method, such as the high threshold value for registering noise as a flight event. He also refuted the airport's argument about the runway block as a situation of exigency and concluded that the regulations had to be observed no matter whether the airport management closes down any of the runways. The medical examinations carried out on the residents of Rákoshegy all tallied with the general facts of the WHO's Night Noise Guidelines for Europe. The neurologist found sufficient evidence between night noise levels and the fact that affected residents had sleeping problems, took sleeping pills and sedative medicine and had insomnia-like symptoms.[51] The psychological analysis reported that it is a positive fact that noise has harmful psychological effects since it generally causes a feeling of vexation, urge and pressure and a lasting sense of irritation. At the same time noise is very difficult to cope with since it does not cause direct damage which would urge people to do something about it. The judicial expert suggested that the current noise exposure levels should be revised since noise effected locals' actions and being on every level: from the physiological level to the psychological levels of motivation, behavior, emotions and social interaction.

After years of unsuccessful attempts to reason with the authorities to force Budapest Airport observe the rules, in 2010 the community finally won the court case against the company which operated the airport. After numerous failed individual damages lawsuits, this was the first lawsuit which offered a remedy for the whole community. The court took mostly the health impairing effects of night time noise into consideration and ruled that it found sufficient and convincing evidence between night noise levels and the fact that residents had sleeping problems. The court lowered former sound pressure thresholds by 10 dB to 55dB between 23:00-06:00 in the innermost noise relief zone. It also accepted that a 42 day limitation on any of the runways does not give a ground for ignoring the noise exposure rules. Although the court case did not solve the controversies of the present regulation, nor did it declare that the airport breached the law, it was a considerable success for the community and “can be considered a milestone in the domestic struggles against airports' environmental pollution” (Clean Air Actin Group).[52] It proved that with

51 When the neurologist doctor diagnosed the sleeping patterns of three residents, he found that their sleep efficiency score was only 61% which can be put down to their inability to fall asleep and frequent awakenings. They also had higher pulse rates, alterations of sleep depth and increased body movements.

52 The court argued that the subject of the court case was not the environmental licensing procedure but whether the airport was endangering the environment or not. It also argued that compelling the airport to prepare an environmental impact assessment was the responsibility of the environmental authority

competence and persistence a small community could step up against such a powerful entity as a multinational company and could bring issues to the surface. It also proved that without external resources their case might not have been as conclusive as it eventually was.

The case of Rákoshegy had long-term implications for the authorities as well. It sent them the message that there exist pockets of society which keep them under surveillance and have the competence to spot the deficiencies of their executive capacities, what's more, to use their right to name them and shame them. The association, by standing out for the interests of the community, definitely made the issue more public, promoted the development of a more fair legislation and their case triggered further developments considering noise management as well. Although the court ruling only made regulation of the airport's noise management stricter, there was an implicit imperative between the lines for the authorities to be more responsible in the future. The fact that the authorities avoided their responsibility to crack down on the airport were laid bare and the court case sent a warning signal to the authorities that next time it might be them standing in front of the judge.[53] Even if they forget this, the case demonstrated that one way or an other, civil society will remind them of their duties by bringing issues out to the open.

If we use the generic definition of democracy most theorists converge on – "democracy comes about when all those potentially affected by collective decisions have opportunities to affect these decisions in ways proportional to the potential effects" (Warren 2011:2) – then it is safe to say that the association deepened democracy since it grabbed available opportunities to influence those decisions which did affect the neighborhood. Through constant vigilance, the watchdog of Rákoshegy has held public and private power accountable for their actions, pushed for fundamental changes in legal regulations and broke through the logjam of embedded power relations. No matter how little satisfied the CSO members might be with the final result of their efforts, the fact that they managed to force through long-term shifts in the regulations highlights the transformative powers of civil society. The grants were instrumental in achieving these democratic changes, since the

anyways.

53 Péter notes that a lawsuit against the environmental authority would have been more effective since they are the ones who failed to crack down on the airport and thus failed to execute their administrative tasks. Since legal regulations are not enforced by the state, it becomes complicit in sustaining the status quo (Szili interview: 20.10.2012). However, for many former state socialist countries it is still a novelty to bring a suit against the government (Toth 2010:328). Society's self-protective mechanisms is still underdeveloped and vindicating one's rights against the state is a stigmatized attitude (Bíró 2002:79).

financial assistance increased members' means and capacities to exert an influence through multiple strategies and to pursue their agenda on behalf on the neighborhood.

3.3.4. Inspiring Others

Although the court case did not fully live up to the association's expectations, it did not mean the end of the noise conflict by far. It seems that after the EEA and Norway Grants project was over, the CSO lost its former momentum. It is not exactly clear why but an attentive observer might come up with some educated guesses. One scenario might be that as soon as the project was over, the organization's money ran out and the members had no available resources to continue their litigation activities. Litigation is expensive, especially if one loses the case. As funds dried up, perhaps so did the will to advocate as well.[54] Secondly, as it has been widely documented, many civil society organizations are dominated by a charismatic leader, who keeps the organization together. Once this strong individual leader leaves the organization, decay sets in and the survival of the organization is endangered unless another strong individual takes over (Lipschutz & Mayer 1996:147, Keane 2013:24, Törnquist et al. 2009:214). This “one man show” syndrome unfortunately poses sustainability issues not only for the organization but for the 'cause' as well (USAID 2011:234). A third possible scenario is when simply “success” causes the death of a civil society organization, or even a whole movement such as the Danube movement was (Pickvance 1997:43). In the case of the Danube movement what happened was that as soon as it achieved its goal and the newly elected government gave up the dam project, the movement's *raison d'être* disappeared as well. Might success have been the cause of the organization's languishing activities? Or perhaps a mere sense of combat fatigue, a feeling that all the effort is not worth it? Or did the CSO decide to weather out the difficult financial times and wait for the next round of NGO Fund tenders?

54 After the project ended Péter ceased to be active in the work of the organization because he had to make both ends meet and he could not dedicate his time to representing the interests of the community any more (Szili interview:20.11.2012). Project-based grants did not seem to be enough to sustain the long-term objectives of the association. The EEA and Norway Grants was essential in helping the NGO take the first steps against the airport but it is uncertain how their activity will be sustained after the project is over, especially in the dire funding circumstances today.

This remains to be a question but what is certain is that the cause of handling the noise did not fall victim to any of these. The court cases are still going on today and since the airport appealed against the court's judgement, as of late 2012, the case went from second instance to first instance for the third time. The conflict is far from being over: in order to examine other aspects of the airport's environmental impact, the court appointed more experts to examine air pollution besides noise impact (Deák interview:12.12.2012). This is a sign that as long as the locals keep the 'cause' alive legislation does respond to their needs. While some might have suffered combat fatigue and gave up hope; others, such as István will not stop until he is proven right. Similarly to Krisztina, he also founded an organization in 2011 together with others whose property had been damaged. They already have several cases at the court for various noise-related reasons (Deák interview:12.12.2012). There are already reassuring signs which can be put down to the active involvement of Rákoshegy Airspace Association: after the numerous litigations, continuous conflicts and haggling, the voice of the community has become stronger by now and they can hardly be left out of any dialogue on noise issues. Today they have an easier time to vindicate their rights and be considered partners than before (Deák interview:12.12.2012). It seems that association's strategy to monitor the airport also inspired István, who plans to apply for funds in order to buy a noise monitoring equipment himself. Perhaps one day he will be able to scale up the issue by proving that the airport did under-report on its noise impact.

3.4. Conclusion – Taking Stock

Was the project a success? Was the NGO Fund a contributing factor to this success? The answer depends on how we define “success”. On the short term, the project might not seem successful, since it did not live up to the expectations of the association members: they could not prove any significant difference between the airport's data and their own monitoring measures, there was no change in the legislation, the ban on the Rákoshegy-end of runway two was not reinstituted, neither was the regional environmental authority or the airport charged with defaulting on its duties. On the other hand, if we consider this case

from another perspective, the organization set a process into motion which might have significant consequences on the long run. The conclusions the judicial expert drew on the method of noise measurement remain an “objective” result and his analysis can be used later and referred to any time (Szili interview:20.10.2012). Secondly, a judgement was made which limited night time noise, which is perhaps only the first one in a series of successive judgements. If the grassroots pressure is kept up, more favorable results might be achieved. This pressure is there in the form of István's organization, which is continuing in the footsteps of Rákoshegy Airspace Association. István continues to keep a tab on the airport and the authorities and makes sure they are kept on their toes. Both organizations achieved considerable results in making data more accessible, putting the airport under civil control and contributing to a greater degree of monitory democracy.

To what extent have the Norway Grants contributed to the relative success of the organization? As we have seen in the case of other foreign funding, financial support is not a 'magic bullet' in itself. Neither is civil society a panacea. It cannot be expected – as it often expected of civil society (Van Rooy 2000:1) – that a grassroots organization will solve problems caused by failures of governments or the market. Success is contingent on the organization's *ability* to strategically exploit the opportunities offered by external assistance and use it for well-planned objectives in order to achieve maximum effect. Under the present circumstances the money seems to have been just as welcome as it was well-spent. The grants have definitely contributed to “change work” by sponsoring agents of democratic ideas, who keep power in check and give voice to the marginalized (Van Rooy 2000:15). It is highly unlikely that the airport will be closed down due to a lacking environmental license. But perhaps the organization's efforts contributed to a change in attitudes and to the development of legal regulations which evolve according to local needs and which clarify certain authorities' responsibilities, set deadlines or sanctions and updates noise measurement methodologies. This remains to be seen but as long as the pressure is kept up from below, there is reason to be optimistic.

4. Game Changers

This case study focuses on another environmental NGO, Energiaklub, which promotes sustainable energy solutions, which – once incorporated into public policy – would help Hungary to decrease its fuel imports, save energy and use public money in a sustainable way. Drawing on Habermas's theoretical framework on the public sphere and discourse, the analysis shows how the NGO has created a forum in the public sphere where norms on progress and the validity of present energy policies are renegotiated. I argue that with the help of the grants Energiaklub has been able to channel expert opinion into decision-making by initiating a critical and rational discourse on energy policies. In this part of the case I rely on multiple sources to reconstruct the strategies and the development of the NGO. I leaned mainly on the organization's final project report and homepage, several policy papers they prepared and an interview with one of the NGO members.

4.1. Introducing Energiaklub

Energiaklub is a very different organization from Rákoshegy Airsapce Association, in terms of its size, thematic focus and sources of funding. Energiaklub is the largest Hungarian NGO that has specialized in sustainable energy issues and focuses on climate protection, energy efficiency, traditional energy sources, energy policy and nuclear energy. The NGO, which was founded in 1990, operates on a national level and it is dedicated to the advocacy of sustainable energy solutions both for energy producers and for energy consumers.[55] According to the NGO's manifesto:

> Energiaklub is dedicated to the rational and clean production and use of energy,

55 Enegiaklub has a very similar profile to the Norway-based Bellona Foundation, which is an international NGO, whose main activities include the "fight against global climate change, the environmental impact of the oil and gas industry in Europe and Russia and the cleanup after the legacy of the Cold War in Russia" (Bellona 2008). The reduction of GHG is the highest priority of the organization.

> together with the search for practical answers to the pressing problems posed by climate change. (...) We undertake our work independently from political parties or business interests with credibility and professionalism. We take a broad perspective and draw on our extensive connections amongst experts and partner organizations. (...) Our guiding principles are clarity and transparency, as well as the search for solutions and constructive criticism. (Energiaklub 2013)

Being primarily an advocacy organization which targets policy-makers, local government representatives and other decision-makers, they are less responsible to a root constituency and only a marginal amount of their revenues come from membership fees or 1% tax donations. Energiaklub is internationally well-connected and it cooperates with various international experts, partners, advisers and institutions, such as Climate Alliance, the European Climate Foundation, Greenpeace, Open Society Institute, CEE Trust, WWF, and Energy Cities. Energiaklub has around fifteen salaried members who are highly-educated and many of them are experts in a specific field. The staff has diverse educational backgrounds but a great majority of them are economists, engineers, lawyers or teachers. Since their operation is project-based and they often have to hire external experts or use volunteers and interns to help their work, the number of their employees fluctuates. Energiaklub is also unique in the sense that their HR policy is mother-friendly and the organization encourages its members to return after maternity leave (Csikai interview: 26.10.212). In 2009 Energiaklub derived its revenues from state funds (29%), EU funds (24%), services (24%)[56] and private donations (21%) (Energiaklub 2013). Unlike many other organizations, Energiaklub does not depend only on state funds since they managed to diversify their sources to recover their revenues (USAID NGOSI 2009:113). In order to promote cleaner energy production and frugal energy use, the NGO prepares public policy recommendations for decision-makers, carries out research and advocacy and organizes communication and awareness-raising campaigns. The organization became a widely cited source of reference in national media in energy issues, especially on controversial topics such as gas subsidies and nuclear energy.[57]

56 The relatively high proportion of revenues coming from commercial services is an evidence that the NGO has successfully opened up to the market. Energiaklub offers a range of services: they carry out research and consultation, hold training seminars and organize conferences (Enegiaklub 2013). Commodifying knowledge is a key factor for the NGO to sustain itself.

57 Energiaklub has long been following nuclear developments in Hungary. They participated in the environmental licensing procedure in the lifetime extension of Paks nuclear power plant. They appealed

4.2. Hungarian Energy Challenges

As focus on renewable energy and energy efficiency programs is getting more and more pronounced in Europe, sustainable energy production and use is relatively low on the political agenda in Hungary. While the EU gears its 'Europe 2020' growth strategy towards reaching ambitious sustainability goals by making resource efficiency its flagship initiative,[58] 95% of Hungary's energy supply is still provided by traditional energy sources like natural gas and crude oil according to the European Commission. Hungary is strongly dependent on energy imports – mainly Russian gas – and the share of renewable energy sources (RES) is under the EU average. Although the use of renewable energy sources has increased recently (especially in 2004), it still accounts for only a very small share of the total generated electricity. Despite the fact that energy consumption per capita is low, energy intensity is much higher than the EU average due to low-efficiency technologies such as nuclear and coal-fired power plants. (European Commission 2007:1) Energy dependency brings about a number of problems, argues Energiaklub: it limits the room of action in foreign policy, jeopardizes energy security, decreases competitiveness on the energy markets and makes energy prices inflexible as well. Oil and gas unnecessarily increase GHG emissions and contribute to climate change.

This need not be so – argues Energiaklub. In its Norway Grants-financed project, Energiaklub promoted alternative solutions and urged the state to get its act together. Their project, whose title was “How to build a more (energy) efficient state?”, aimed to influence the state with reliable, well-founded and reflected information and recommendations in order to contribute to the sensible spending of public moneys and to a long-term strategy on sustainable energy systems. During the course of 2009 and 2010, the NGO organized a

against the environmental license and subsequently sued the power plant because it denied access to public information, primarily concerning the cost of the extension (Enegiaklub 2012). The litigation was a civil attempt to increase transparency around the future operation of the nuclear power plan.

58 Europe's growth strategy 'Europe 2020' sets five main objectives: employment, innovation, education, social inclusion and energy/climate. The energy and climate objectives translate into 20% savings by 2020: a 20% reduction in EU GHG emissions from 1990 levels; raising the share of EU energy consumption produced from renewable resources to 20%; and a 20% improvement in the EU's energy efficiency (European Commission 2013).

series of round-table discussions with the main stakeholders of the energy industry: energy experts, potential investors, representatives of public authorities and other key players in the energy field. Their aim was to bring together representatives of the state and market in order to spark up a discussion on the issues blocking the way of clean energy in Hungary. Energiaklub hosted six thematic discussions on Hungary's most burning energy challenges, which were moderated by the NGO's own experts. Based on the outcome of the discussions, the NGO compiled six comprehensive analyses on the most pressing energy issues. The final analyses contained policy recommendations, which were designed to serve as strategic documents for the government for future decision-making. On the other hand, Energiaklub used these documents for its lobby activities in various domestic (parliamentary committees, ministries, agencies) and international institutions (EU Parliament, EU agencies, and the EU Commission). In many cases, these studies were the first ones of their kind, filling niches of knowledge on sustainable energy use and production. Energiaklub's wider aim was to influence two internationally important government papers: Hungary's position on climate change at the Copenhagen Climate Conference and the Hungarian Renewable Energy Action Plan.[59] (Energiaklub Final Project Report 2009)

What all the final analyses emphasized was that there is a vast amount of potential when it comes to saving energy, especially on the household level. A more conscious energy policy would be enormously beneficial to the state as it would contribute to job creation, "green" growth, and better quality of life. Let us have a look at the inter-related energy issues which Energiaklub researched and initiated a debate on. The following two subsections review Hungarian energy challenges and potential solutions based on the six analyses carried out by Energiaklub.

4.2.1. The Affordability Challenge: Fuel Poverty and Energy Subsidies

One of the research priorities of Energiaklub has been "fuel poverty" which is a complex problem of both poverty and energy efficiency and has climate change implications as well. Considering the breadth and depth of this social phenomenon, the subject oddly has not

59 This document is prepared for the EU and contains Hungary's target figures for renewable energy production and steps of its implementation (European Commission 2013).

been researched before. Energiaklub was among the first ones to initiate a debate on the issue.

Although there is no clear-cut definition for fuel poverty, its two main indicators are when people cannot heat their homes to an acceptable level or if they spend more than a certain percentage of their income on energy services. The generally accepted international threshold for fuel poverty is when households spend more than 10% of their income on energy services. According to Energiaklub's research, Hungarian households spend an average of 20% of their total income on energy services, and the poorest families pay even more than this. At least 15% of Hungarians have declared that they suffer from fuel poverty, which puts Hungarians on the 6th place on the European fuel poverty list. Hungary also has the highest proportion of customers in Europe chronically in arrears with their utility bills. (Fellegi 2010, Fülöp 2009)

Fuel poverty is an enormous challenge for Hungary since it is estimated that approximately 1500-2500 deaths are caused by fuel poverty, especially during winter. As the price of natural gas has escalated faster than inflation in recent years, paying energy bills became a severe additional hardship for a great majority of households (70-85%), which are heated with gas (Ürge-Vorsatz & Herrero 2010). In response, the government has spent substantial amounts of money on gas price and district heating subsidies. Keeping energy prices artificially low is not a new phenomenon in Hungary, since the former Soviet Union had long provided its satellite countries with heavily subsidized energy carriers through the COMECOM price mechanism (Felkay 1997:25). After transition to market capitalism however, welfare services – including the gas markets – have changed the least. Gas subsidy has been a standard element of political campaigning since increases in gas prices are not popular with the Hungarian electorate. The energy prices of 2009 were also results of political deals but the continuous increase in subsidies has been stretched to the maximum. According to the agreement between the government and the IMF in 2010, energy subsidies will gradually have to be eliminated, which makes the review of the energy subsidy system even more relevant since it directly affects fuel-poor people. (Fellegi 2010)

Increasing subsidies has been justified by ruling governments as a social and societal need i.e. essentially a political need. Since 2007 fuel subsidy policy has been based on social needs: the subsidy applies to those low-income households where income per person is less than 3.5 times the minimum pension. Approximately half of the households qualified

for benefits in 2008. The operation of the subsidy system was the Ministry of Social and Public Employment, which reflects the essentially social character of the subsidies. Taxes on mining activities and energy supply companies form the revenue basis of the subsidies, in order to re-distribute surpluses made by energy companies from high fuel prices to low income families. (Fülöp 2009)

However, these direct state-financed policy responses have offered only symptomatic solutions which had no positive side effects, argues Energiaklub. On the one hand, the significant amount of direct support (€327 million) could have been spent on improving energy efficiency instead, which would have improved the weak quality and low energy efficiency of buildings and would have offered a solution to fuel poverty. According to Energiaklub's calculations, a third of the total energy consumption could be spared through energy efficiency investments. On the other hand, fuel subsidies have sent the wrong message to consumers and did not motivate people to spare energy at all. On the contrary, subsidies have encouraged energy consumption since people lose sense of the real market price of energy and thus use energy more liberally. Consequently, they are less willing to invest in energy efficiency. And finally, the current subsidies have not even reached the poorest social groups who heat with other fuels which are less subsidized or not subsidized at all. (Fülöp 2009, Fellegi 2010)

Energiaklub is convinced that the state's utility expenses reduction program is not the way forward. A much bigger emphasis should be put on improving the present poor quality of living conditions (wet, moldy walls, leakages due to outdated infrastructure and engineering) and building's energy efficiency. In order to pull out the country from energy poverty – and reduce energy dependence and GHG emissions – the state has to encourage more energy efficiency programs; energy subsidies have to be reduced and made more target-oriented (the subsidy system is not fair: 30% has received subsidies without being entitled to it since the entitlement criteria has been too broadly defined); and the outdated district heating system has to be modernized. There would be multiple benefits from having warmer homes, including improved health, greater energy efficiency, carbon reduction and economic growth. These would be beneficial investments from the point of view of social, economic[60], energy security and climate change policy. (Fülöp 2009, Fellegi 2010)

60 These investments would give a boost to the economy as it would create jobs, provide significant tax revenues to the state budget (e.g. income tax and other contributions payed on labour, and partly through the VAT payed on the products purchased), which would help the state recoup its investments within a

Energiaklub does not outright refuse subsidies, neither does it argue for the total liberalization of the energy market. The NGO has argued for a financially and environmentally more sustainable energy policy – while taking social needs into consideration. They do not want the state to leave behind the most needy, only emphasize that the energetic redistribution policy should be fine-tuned better with energy policies. The need for subsidies could be alleviated by extending the network of other social services. Once these networks are strengthened and are accompanied by comprehensive energy efficiency programs the political rationale for lowering energy prices would disappear as well as consumers (electors) would not be in such a difficult position any more as they are today. (Fülöp 2009) The main aim of Energiaklub has been to initiate a constructive debate among experts and the relevant decision-makers in this field, in order to demarcate the problem of fuel poverty and to offer practical solutions to decision-makers on how best taxpayer's money is put to use in energy issues. (Fellegi 2010, 2012)

4.2.2. Smarter Use of Energy: Renewables and Energy Efficiency

Alternative energy is a topic which Energiaklub had extensively written about before. Their analyses, studies (e.g. on the solar energy market) and policy papers are aimed at various audiences and they run other projects building on the promotion of renewables. The also hold training seminars, for example, on how to carry out a successful biomass projects. The analysis on renewable energy was the most successful and resonated most with the government. The NGO invited several leading figures within renewable energy (RE) for the discussions: representatives of professional organizations, system operators, potential investors, tradesmen, Ministry of Development, Hungarian Energy Authority, MAVIR (Hungarian electricity transmission operator), and other stakeholders. The round-table discussions shed light on the legal and financial obstacles which set back the development of RE projects. (Varga 2009)

As an EU member state, Hungary is subject to a binding target of 13% of energy from RES in its total energy mix and this corresponds to the EU's overall attempt to produce

relatively short period.

20% of its total energy consumption from renewable energy sources by 2020. Despite this grand plan, renewable energy has made only modest progress and in order to reach this target within a pressing timescale Hungary has to triple it RE output. However, one of the biggest financial challenges is that compared to the capital intensity of RE projects, EU tenders are not generous enough and even the relatively small amount of available EU resources are not taken advantage of. What makes the situation worse it that EU grants are low-intensity grants, the process to obtain building permissions is extremely bureaucratic and applicants are often not prepared enough to write high quality applications. The ex-post financing structure makes it even more difficult for potential investors to summon the money upfront. (Varga 2009)

Secondly, there are several problems with the Hungarian feed-in-tariff (FIT) scheme, which the state introduced as an attempt to give an incentive to ongoing RES development by purchasing green electricity for a rate slightly higher than market prices. But the volume of renewable electricity (which FIT rate is payed for) is capped by the Hungarian Energy Office, while it does not put such limitations on fossil fuel-based electricity. Low FIT levels further hinder RE market expansion as prices do not offer an attractive incentive for investors. The cross-subsidization of local heating prices further impede RE to compete with conventional electricity prices, since the latter get 70% of FIT funding through a malpractice of subsidies. Only the remaining 30% of subsidies go to biomass and wind power plants. Energiaklub argues that the burden on renewable electricity prices has to be eased and a better design of financial support of RE is necessary. (Varga 2009)

Apart from lacking incentives, investors are also scared away by the unpredictable and complex legal regulation of RE technologies. The process to get investments approved is unnecessarily long, difficult and expensive, partly because it involves an unrealistic number of authorities: forty in average, compared to five in the EU. Bureaucratic overhaul is another significant barrier, which is often the outcome of the fact that there is no constructive communication between the sector's main actors – departments, authorities, interest organizations, budgetary bodies and NGOs. Furthermore, there is no comprehensive RES law, neither a corresponding political post for it, and the modifications of the present regulations are not transparent enough. Worst of all, the state seems to be lacking a long-term strategical thinking on RES on which any future action could be built. (Varga 2009)

Another round-table discussion reviewed the main national energetic modernization

programs directly available to people through state grants. The study points out that programs targeting the energetic modernization of residential buildings has been negligible compared to energy subsidies: in 2008, the state spent eight times more on energy subsidies than energy efficiency programs. One of the programs Energiaklub reviewed was the National Energy Reduction Program, a national program which is designed to encourage the energy efficiency and renewable energy investments of the population. The Hungarian Development Bank offered loans with reduced interest rates for these investments. Although energy efficiency in the residential sector has the most potential in reducing energy consumption, providing comfort and protecting the climate, the program did not live up to these expectations. (Nagy 2009) Why? Energiaklub pointed out several weaknesses of the program.

Firstly, the amount dedicated to household energy efficiency investments was negligible, in absolute and comparative terms – state support for energy efficiency investments was only 3.6% of the amount of gas subsidies. This is worrying because 40% of total energy consumption is domestic consumption and such a low level of state support will not help Hungary to reach its international obligation to reduce CO2 emissions by 20% by 2020. Secondly, the financial conditions discouraged many since only 15% of the investment costs were covered by the program. This is problematic because 15% is less than the VAT payed for the investments and might discourage many to go through the complicated, bureaucratic application process when employing a builder black pays off better (it is very common in the Hungarian building sector not to give a receipt). Energiaklub argues that financial support should be minimum 10% higher than VAT, at least 35%. Such a change would help 'whiten out' the building sector as well. Similarly to the EU funds for renewable energy, ex-post financing also makes it difficult for potential investors to summon the money upfront. Thirdly, the program has not become popular since opportunities of state support were badly broadcasted: government communication consisted of one ministerial press conference and neither banks nor the state agency responsible for distributing the funds were proactive in public communication. (Nagy 2009)

Another study evaluates the EU's Directive on Building's Energy Performance which is the EU's main legislative instrument to reduce energy consumption in buildings (European Commission 2013). The EU introduced the directive in order to reach the energy consumption target it set itself by 2020. Under the directive member states must apply

minimum energy performance requirements for new and existing buildings, ensure the certification of building energy performance and regularly inspect boilers and conditioning systems (European Commission 2013). The EU expects a leading role of the public sector: public buildings must be nearly 'zero-energy buildings' already by 2018, while all other new buildings by 2021. (Király 2010) Energiaklub, however, is skeptical of how well the directive has been implemented into domestic law. Hungarian law on energy efficiency certification is not obligatory for buildings owned by the local government, although most schools, hospitals, offices are public buildings. On the other hand, none of the state buildings have visible, informative energy certificates themselves, although they would be obliged to display these. Energiaklub urges the state and local governments to play a more intensive role because private and public buildings are responsible for a whacking 33% of total energy use. Making buildings more efficient would not only decrease public and private utility expenses, GHG emissions and energy dependency, but it would create sorely needed jobs as well. (Király 2010)

4.3. Discussion

4.3.1.Theoretical Framework

The relevance of the Norway Grants and the activities of Energiaklub can be put in perspective if we consider them within the theoretical framework developed by Habermas. Recent discussions generated by continental philosophers have focused on the necessary conditions for an inclusive and rational-critical debate on public issues to take place. The debate has been stimulated by German philosopher Jürgen Habermas, the most influential and widely cited social theorist of his generation (Howell & Pearce 2001:56) and an “icon of the civil society pantheon” (Edwards 2011:13). His historical study, *The Structural Transformation of the Public Space* – which has long been influential in German since it was first published in 1962 but oddly had not been translated into English until 1989 – has important bearings on the problems of the relationship of state and civil society, and prospects for democracy (Calhoun 1992:vii). His ideas on the public sphere and rational-

critical debate are well-known concepts and are especially illuminating in the case to be presented.

The Structural Transformation of the Public Space hinges on the following central question: when and under what conditions could the arguments of various societal groups become authoritative bases of political action? This question, as Habermas shows, is a crucial one for democratic theory. Although the book focuses on the bourgeois political life of the seventeenth through the mid-twentieth centuries, it aims to reach beyond the eventual decay of the bourgeois public space in order to recover something important for today. (Calhoun 1992:1)

Habermas traces the historical emergence of the bourgeois public sphere in the seventeenth and eighteenth centuries. The significance of this public was that people who previously confined their activities to the household, for the first time "came together as a public" and through the use of reason, engaged public authorities in a debate over the general rules governing relations of commodity exchange and social labor (Habermas cited in Howell & Pearce 2001:21). This public sphere – like civil society in general – could emerge once the modern state was constituted of an impersonal locus of authority, i.e. distinct from the interests of the prince or the monarch (Howell & Pearce 2001:21) In the eighteenth and nineteenth centuries, unlike in earlier feudal societies, the dominant aristocracy did not have direct control over all aspects of social life any more, including the economy (Edgar 2006:124). The rise of capitalism, the commercialization of agriculture and the advent of industrialization developed hand in hand with chambers of commerce, learned societies and later political parties and trade unions. This new sphere of private associations gave birth to the idea that civil society was essential for securing liberty by creating a buffer zone between the state and the citizenry, which kept the state's authoritarian tendencies in check (Encarnación 2011:6). The emergence of *Öffentlichkeit*, this new domain of public sphere, was a corollary of the maturation of capitalism (in England, France and Germany) because this was the critical moment when economic life became a matter of common, publicly relevant concern (Edgar 2006:124).

Transformations in the economy brought about transformations in the public life as well: society could be observed in the relationships and organizations created for economic purposes and these had public relevance since they represented interests in public discussions and in the action of the state (Calhoun 1992:9). The limited group responsible

for turning economic life into a publicly relevant issue was the male bourgeoisie which began to think of itself as constituting the public. Its members started to use their reason publicly to claim the right to debate and challenge the principles on which 'ruling' of commodity exchange and social labour took place, and aimed to make government policy accountable to standards of 'reason' and 'law' (Howell & Pearce 2001: 21).[61] Members of the bourgeoisie began to see themselves as opponents of the state and engaged in a debate with it on various economical issues. The transformation of the public sphere was less about democracy initially and more about making the state responsive to the needs and interests of the bourgeoisie (Edgar 2006:124).

For practicing a rational-critical discourse, the establishment of certain social and economic institutional preconditions were necessary. Apart form the codification of civil law (which guaranteed basic private freedoms) and free trade between nations (which further emancipated the private sphere), liberal democratic institutions such as a free and critical press were the main tools in the problematization of public matters. The free communication of ideas between citizens entered an extraordinary range of publications, newspapers and journals that sprung up this time. News were supplemented with critical articles and journals shaped public opinion. Essays, typically published in periodicals, stimulated the discussion of a range of practical, scientific and social topics. (Edgar 2006:125) These were complemented by institutions such as the salon in France, learned societies in Germany, and clubs and coffee houses in Britain, where businessmen and the professional elite came together to discuss matters of trade, the 'news' and other domains of common concern. The public sphere in Europe did not only institutionalize along interests against the state; the critical-rational conversations of these companies gradually widened to include affairs of state administration and politics. The political public sphere thus came into existence through this amalgam of diverse media and social institutions. (Calhoun 1992:12)

These hubs were necessary preconditions for sparking a face-to-face debate where ideas could be exchanged, challenged and defended. Such and ideal of public communication was identified by Habermas as a potential form in which the general or public interest could be rationally and critically discussed. The critical nature of public communication is one of its essential characteristics. In contrast to de Tocqueville, for

61 Feminists have pointed out how gendered this process was: women were not expected to play a role in these debates (Howell & Pearce 2001:21).

whom public opinion was a means to reach mass consensus – or "mobocracy" as Keane slightly pejoratively calls it (Keane 2013:40) – public opinion was rather a critical force for Habermas (Howell & Pearce 2001:56). The rational-critical dimension of the public sphere constitutes the second key element of Habermas's theory, since communicative reason was the means for the public sphere to form a general will and to inform and control the activities of the state. The public space was characterized by a dialogue as individuals either met in conversation or exchanged views via various media. Communication in this context does not only mean sharing what people already know, but a process of potential transformation of "truth" which is taken for granted in everyday information sharing and in which reason is advanced by debate itself (Edgar 2006:42).

Communicative reason is characterized by a free and open discussion by all relevant persons where final decisions depend on the strength of the better argument and not on any form of coercion (Edgar 2006:23). Public discussions also have an important role in legitimizing decisions made by political bodies (Edgar 2006:24). Habermas presents the progress of democratic politics in terms of the increasing involvement of ever broader sections of society in the debate and criticism of government policies. Although the capacity to engage each other in critical-rational argument might be constrained in real world societies – for example due to political inequalities – it still provides a critical ideal, which all communication should attempt to live up to.[62] Apart from legitimizing decision-making, public discourse – where citizens engage in communicative action – is a third possible mode of coordination of human life besides state power and market economies. Unlike the latter two, however, discursive modes of coordination do not try to dominate, and this aspect makes democratic public sphere a rival of money and power (Calhoun 1992:6).[63]

Communicative action is also a process of rationalization, since participants in a debate are required to justify what they are saying or doing. Ideally, if challenged, a speaker should be able to give evidence and reasons to support her beliefs and her right to perform what she is currently involved in (Edgar 2006:23-25). In the progressive rationalization of

62 Critics point to the fact that the process of democratization of the public sphere has remained incomplete from a global perspective, since various groups have been excluded on grounds of gender, class, race, or ethnicity. The principle of inclusion and equality of civil and political rights is high on the agenda of donor agencies (Howell & Pearce 2001:21). On of the main objectives of the Hungarian NGO Grants for example is to tackle inequalities address the fundamental human rights violations of the Roma (EEA and Norway Grants 2010).

63 Influenced by Habermas, this tripartite conceptualization of civil society-state-business is in the heart of Cohen and Arato's theory.

communication through these validity claims, Habermas later finds another, transhistorical basis of democratic will formation which is not as historically specific as the social institutions of the bourgeois public sphere. The public sphere remains an ideal for Habermas but it becomes a potential product of communicative action rather than its basis. In the human communicative capacity he finds a less historically anchored and more transcendental basis for democracy. This way he can revitalize the Kantian ideal of public communication and – more generally – democratic ideals in a world dominated by capitalism and bureaucratic power.[64] (Calhoun 1992:31-32)

Although Habermas saw a potential model in the ideal of the bourgeois public sphere, his aim was to trace its flourishing and subsequent failure to fulfill that potential (Howell & Pearce 2001:56). The bourgeois public sphere eventually disintegrated and transformed by the very forces that established it (Edgar 2006:126). In late capitalism the consumeristic drive penetrated the whole society and citizens became more interested in consumption than in political action. The growth of commercial mass media turned the critical public into passive consumers. Since consumerist products of mass culture catered for individual tastes, it contributed to a segmentation of audiences and shared issues which had wide audiences before, lost their currency. (Calhoun 1992:25) Secondly, the emergence of the welfare state in the twentieth century interlocked society and state so thoroughly (e.g. through extensive state intervention) that public space gradually eroded. Thirdly, as the public sphere was extended to formerly excluded layers of society, the notion of a common interest was lost and the members of the public sphere lost their common ground. (Howell & Pearce 2001:56-57)

As a consequence of these trends, a division emerged between minorities of specialists who "put their reason to use non-publicly and the great mass of consumers whose receptiveness in public but uncritical." (Habermas cited in Howell & Pearce 2001:56) With the emergence of the welfare state, the shared, critical activity of public discourse was replaced by a negotiated compromise among interests.

---

64 Kant's conception of the public opinion was that it is a reasoned form of access to truth and that the pleasures and virtues of arguments should be central to public life (Calhoun 1992:18). Procedural rationality replaces notions of public opinion as "mere opinions" and arbitrary views of isolated individuals taken in the aggregate and comes to refer to the views held by those who join in rational-critical debate on a certain issue (Calhoun 1992:17). Habermas argues that the notion of procedural rationality is crucial for the Kantian view of modernity, since procedural rationality is fundamentally a matter of basing our judgement on reason (Calhoun 1992:2).

> The process of politically relevant exercise and equilibration of power now takes place directly between the private bureaucracies, special-interest associations, parties and public administration. The public as such is only included sporadically in this circuit of power, and even then it is brought in only to contribute its acclamation. (Habermas cited in Calhoun 1992:22)[65]

The outcome of the structural transformation of the bourgeois public sphere is negotiations between elites rather than a rational-critical public debate which encompasses a wide spectrum of society. With the disappearance of critical discourse which once characterized the public sphere, it gradually became impoverished, depoliticized and disintegrated.

4.3.2. Energiaklub in the Public Sphere

Habermas in his later work went on to search for emancipatory possibilities within modernity and through his search he triggered an important debate about civil society, democracy and conceptions of public space (Howell & Pearce 2001:57). This debate is particularly important for the purposes of the present case as it feeds well into the discussion of Energiaklub. A closer look on the NGO's activities puts the importance of the grants in high relief.

Contemporary Hungarian civil society is obviously very different from the bourgeois public sphere of the seventeenth and eighteenth centuries: since there is no bourgeoisie, there is no unifying general interest either that makes it possible for any layer of the society to come together as a public. Furthermore, there is no institutional basis – e.g. coffee houses – in advanced capitalist societies where an effective political public sphere could emerge which corresponds to that of early capitalism.[66] At the same time, Habermas's core ideas do have a purchase under the present circumstances. Two core elements of Habermas's thinking are especially useful in this case: the public sphere, which is Energiaklub's playing field – as

65 Acclamation in this sense is a response to political parties by psychological identification or voting, or response to advertisement by buying the advertised product. Acclamation is the infusion of motivations into people which conforms to political and corporate needs (Calhoun 1992:26).

66 Habermas himself reached an impasse when he failed to find a way to ground his hopes for the effective realization of a critical public sphere in neo-capitalist social institutions (Calhoun 1992:29).

it is for the whole Hungarian environmental movement; and critical-rational discourse which the NGO initiated on energy issues. Habermas's core ideas dovetail well with the organization's main functions: public communication and advocacy. These functions highlight the NGO's agency in promoting sustainable solutions, while the theory helps grasp the importance of this function from the perspective of democracy. The main questions therefore the following: how did the NGO engage in a public communication? How did it influence policy-making? What role did the Norway Grants have in this process? What are the implications for democracy? I argue that the Norway Grants contributed to the revitalization of the Hungarian public space by providing support to a project which initiated a rational-critical discourse on sustainable energy solutions.

Emphasizing the spaces in which citizens engage with one another is critical to the utility of civil society as a conceptual frame, particularly because it puts the spotlight on the processes of citizen participation and the structural conditions which frame the outcomes of these processes (Edwards 2011:9). Wedged between economy and state, Energiaklub operates in a public sphere where representatives of all three spheres can come together and discuss public issues. Energiaklub is one of the few professional associations of the Hungarian environmental movement which is specialized on energy issues. The fact that this single-interest NGO has a cadre of highly educated members – who are similar to the educated elite of the 'learned societies' of the eighteen century – gives the organization the power to punch above its weight and credibility to stimulate discussions in the public sphere. Through the use of reason, they engage their target audiences – public authorities, decision-makers and local governments – in a debate about the general rules governing energy policy.

Energiaklub is part of a contemporary public sphere that is political in character, since it does not only check and supervise the state but also tries to influence energy policies which are outcomes of political decisions and always feature in political campaigns and party agendas. Their aim is to influence those decision-makers who are responsible for these policies and to raise their and the public's awareness to the benefits of smarter energy use. Energiaklub represents one of those civil organizations in the public sphere which on the one hand acts as a check on the state and thereby balances it, on the other hand tries to help the state with advice by critically evaluating government policies and by offering alternative policy solutions. The face-to-face practice of discourse that Energiaklub initiated did not

only contribute to rational opinion and will formation, but to a more democratic deliberation as well since the NGO subjected the grounds of state action to the critical force of an independent, expert civil society organization. Habermas himself considered discourse as the heart of a theory of democratic legitimacy (Chambers 1995:234). Energiaklub – similarly to other Eastern European NGOs and CSOs – is conscious about its role in strengthening democratic values and contributing to a new civic culture of decision-making and dialogue. An inclusive dialogue would be a prerequisite of cooperating with authorities on all levels, however, this is not a given condition in Hungary yet.

Through the discussions the NGO tried to influence the state by reorienting its public policy towards the general interest of its citizens, convinced that decision-making should primarily be a product based on social consultation and only a secondarily a product of the state. The discursive process of the roundtable conferences endows future government decisions with increased social validity and plays an important role in legitimizing political decisions. The more a political system draws on civil input, the more sensitive and responsive it becomes to societal problems and tensions. As a consequence, the state becomes safer for its citizens and gets more accepted by the popular opinion (Bíró 2002:75). Through the conferences energy issues were debated and re-politicized, in the sense, that through participation in the public sphere, affected people come together and discussed ideas and interests, arriving at conclusions through a consensual process rather than by majority voting. Such non-institutionalized, extra-parliamentary forums which form an intermediary political level between society and the state can be considered more substantially democratic than the often formalistic, minimally participatory democratic politics of general and local elections (Törnquist et al. 2009). Cohen and Arato go as far as to say that democracy has more potential on the level of civil society than in political or economic democracy because in civil society the coordinating mechanism of communicative interaction has fundamental priority over power and money. The functioning of societal associations, public communication and cultural institutions (universities, churches) allow for higher degrees of informal (non-institutionalized), egalitarian and direct participation and collegial decision making than it is possible for any political party or labour union (Cohen & Arato 1992:417).

Similar forums, where civil society organizations are involved in debates and in the constructive criticism of government policies are very much needed in Hungary because

deliberative transfer of responsibilities from central state institutions to non-state actors is not a common practice (Bíró 2002:78). On the other hand, there is often a missing link between polycentric associational life and political life which would mediate between the two and contribute to the generation of shared agendas (Bíró 2002:75).[67] Although the struggles for an open and free public sphere and autonomous forms of discourse which characterized CEE before the transition are not as challenging today, the inclusiveness of public sphere and the importance attributed to it by decision-makers is still far from perfect. A typical example of this is the state's secrecy about the publicly relevant documents on the lifetime extension of the Hungarian nuclear power plant, which were eventually revealed but only after years of litigation (Energiaklub 2012). Others e.g. available state support for energy efficiency support are not publicized enough since sustainable energy solutions do not have such a lobby power as other industries. The professional input of civil society actors is sometimes doubted or ignored altogether by decision-makers (Oriniaková and Dönsz 2009:36, Szabó interview:11.12.1212). "Critical" organizations – as opposed to "neutral" or "incorporated" organizations – which scrutinize, audit and analyze the state's output are nowhere warmly welcomed in the state hierarchy. However, acknowledgements from other professionals and support from the political opposition and the public makes it more and more difficult to ignore these critical organizations. (Bíró 2002:78)

Contemporary Hungarian public sphere is not as elitist or bourgeois as the public sphere of the eighteen century used to be when an elite circle constituted the whole relevant citizenry. Education and property ownership were the two criteria for admission to the public discussion of the issues raised by the administration of the state. These qualifications defined citizens, the fully capable and autonomous persons who were competent enough to enter the rational-critical discourse about the general interest. (Calhoun 1992:16) These qualifications are not necessary in the context of contemporary Hungarian civil society but there is still a demanding prerequisite to join the public debate, especially on environmental issues. A high level of competence is needed within this field, since this is the only way environmental activists can be credible contributors to the debate in the eyes of their constituencies, business and state actors. Recognition by society hinges on the professional

67 The EU tried to remedy this with introducing the "partnership principle" in the preparation and implementation of the various EU funds. According to this principle, national authorities are expected to cooperate with social partners: regional authorities, professional and interest organizations, religious organizations and civil society organizations. In practice, civil society input has hardly been taken into consideration; they can hardly exert any influence (Oriniaková and Dönsz 2009:34).

qualities of NGO members due to the specialized, scientific nature of environmental issues (Bíró 2002:38).

As Habermas's critics point out, one of the weaknesses of *The Structural Transformation of the Public Sphere* is that he overestimates the degradation of the public sphere. However, the lack of a single general interest, i.e. the interest of the bourgeoise, might not pose such a big problem as he predicted (Calhoun 1992:27). Rational-critical discourse cannot be about everything at the same time and some structuring of attention must always exist. The Hungarian environmental movement is one such a dominant power which has the potential to reorientate the agenda of public discourse and bring new issues to the fore; if all else fail, by naming and shaming as it happened in the case of the government's extension plans of the nuclear power plant. Instead of Habermas's rigid, dichotomizing, historically anchored and intellectually biassed theory[68], a more pluralistic and open approach to the public sphere highlights that there is not only one public sphere in a nation but several overlapping ones. Constantly changing power relations, networks of communication, issues and prominent figures are all hallmarks of civil society and they preclude any rigid conceptual framework (Calhoun 1992:37).

4.3.3. Critical-Rational Discourse

If the development of a vibrant public sphere is a precondition of healthy democracies then critical-rational discourse is a way to bring it about. For the purposes of this study I will only focus on the importance of the roundtable conferences.[69]

The conferences were conducted in the six most relevant topics within energy policy and were based on preliminary studies which Energiaklub prepared in advance. Some of the topics these studies covered – e.g. fuel poverty, the need to restructure fuel subsidies or the

68 Habermas does not treat the 'classical' bourgeois public sphere and the post-modern transformed public sphere symmetrically: while he judges the eighteenth century by Locke and Kant, he considers the twentieth century by the typical suburban television viewer. And by doing so he undisputedly reveals the typical Frankfurt School bias against mass media and culture (Calhoun 1992:33).

69 The NGO also aimed to influence the local governmental level: in conferences, publications (Climate Guide) and online Energiaklub promoted local climate protection programs and sustainable energy solutions. They also cooperated in studying and publicizing a local showcase project: the energy efficiency reconstructions of the biggest high-rise building block in Budapest. They also prepared a provincial town's climate strategy. (Energiaklub Final Project Report 2009)

need for a separate renewable energy law – had hardly been researched before so the studies filled a gap in the knowledge on energy use and production (Energiaklub Final Project Report 2009). The round table conferences can be considered to be the most prominent part of the NGO's project, since these forums were the most efficient way to gain insight into the views, opinions and experiences of key players within energy and also to challenge and influence decision-makers. In order to expose the most point-of-views on energetic issues, Energiaklub invited politicians, representatives of ministries and specialized state authorities, representatives of banks, professional associations, civil society actors and prominent figures of relevant businesses to take part in the thematic conferences. Enegiaklub was a bridge builder between industry, market and the state, working closely with them to respond to Hungarian environmental challenges. The conferences resulted in six policy-documents which reflected the conclusions of the conferences. These papers were widely publicized afterwards in various national media – print, radio, online – and also served as a material in the NGO's lobby activities. In two years, Energiaklub organized seventeen meetings with decision-makers and other state officials. (Energiaklub Final Project Report 2009) The NGO's main lobby activities were aimed at influencing two internationally important government documents: the Hungarian government's position at the Copenhagen Climate Conference and the National Renewable Energy Action Plan which all member states had to submit to the EU by 2010 in order to show how they plan to reach their legally binding renewable energy targets by 2020. (Energiaklub Final Project Report 2009)

In the light of Habermas's theory the roundtable discussions can be considered as manifestations of a public discourse which takes place between the state, business and a civil organization. By opening up a forum on sustainable energy solutions, Energiaklub initiated a discourse where present (mal-)practices can be reviewed and feasible solutions can be discussed. By bringing energy issues out to the open, the NGO started a process through which participants' assumptions and claims were subjected to discussion and criticism in order to be accepted or rejected. Discourses like this are essential, because during the discursive process taken-for-granted rules and principles can be challenged and revised (Edgar 2006:42). What principles should Hungarian energy policy follow? Is there no alternative way to redeem energy supplies from the grip of imported gas an oil when the potential for renewables is untapped? Do energy subsidies make a change for the poorest

when they do not even heat with subsidized energy sources? Why does the state spend taxpayers' money on subsidies when it could save much more by offering households incentives for energy efficient investments?

The final answer to these provocative questions is less important than the fact that they are being asked. Discourses like this ideally end in a renewed consensus between participants and in a less fortunate case there may simply be not enough evidence to convince everyone. But even if a consensus is reached in a discussion it would never be a universal agreement since a consensus can be challenged later on as new ideas arise to test its coherence. It never settles a question once an for all since shared understandings are fluid and change over time and values are continuously being reproduced. (Cohen & Arato 1992:357, Chambers 1995:234) The strength of discourse lies therefore in the fact that it establishes the *possibility* for participants to resolve a problem rationally – by using rational arguments which are not distorted by any strategic interest – and to reach a working consensus together. Dialogue is particularly important in the context of post-socialist societies where civil society actors are not always willing to cooperate with the state; an aversion which stems from civil society's emergence as a major opposition against socialist repression (Börzel 2010:4). Humility, goodwill and actors' primary interest in mutual understanding is thus a crucial prerequisite of a rational discourse.

The organization of the conferences was a bottom-up discourse initiative which challenged the current status quo of energy policy because Energiaklub saw these policies problematic and felt it necessary to open up a debate about them. These challenges were aimed at those basic considerations which form the basis of the energy policies. Communicative reason – our ability to resolve problems over 'truth', norms and rules rationally – presupposes a free and open dialogue by all relevant persons where the final decision depends on the strength of the better argument and never on any form of coercion.[70] (Edgar 2006:23) For Habermas, the exercise of reason is essentially a communal activity where participants in any social interaction can rationally justify what they are doing if required. Ideally, when challenged, representatives of the government and other state

70 I have to cut corners in applying Habermas's theory without any qualms. He stresses the importance of reason being used publicly with the involvement of public participation. "A public sphere adequate to a democratic polity depends on both quality of discourse and quantity of participation." (Calhoun 1992:4) Here I must rise above this aspect, since large public participation would have been impossible at the round table conferences. I assume that Energiaklub stood for the general public interest and that it enjoys a broad societal support even if it has not got such a strong root constituency.

agencies, should be able to provide evidence and reasons to support their beliefs and their right to perform the actions in which they are currently involved. It would be a breakdown of communicative reason if the state insisted on rationally indefensible policies in the face of Energiaklub's reasonable challenges and better arguments. (Edgar 2006:25)[71] Even if the discourse is not aimed at reaching a rational consensus, through discursive interaction "citizens become more informed about issues; they become aware of what others think and feel, they revaluate their positions in light of criticism and argument, in short, by defending their opinions with reason their opinions become more reasoned" (Chambers 1995:238). More importantly, the force of the better argument can change states' future behavior and guide their future actions. In the public competition of private arguments a consensus comes about, which might not be an ultimate truth but which is practically necessary to serve the interest of all (Calhoun 1992:16).[72] This is the reason why Energiaklub initiated the debate and challenged the state on the rational grounds of its energy policies.

Launching a conference about the most burning energetic topics – especially energy subsidies and renewable energy – was their main strategy. They seated key players of the energy sector to the same table hoping that in a face-to-face conversation stakeholders will be able to address energy issues more constructively than individually. Such a debate offers a chance for everyone to express their opinions, justify their views, convince others, explain details and argue for their case. This way disagreements can be resolved (or deepened), compromises can be reached, attitudes can converge and, ideally, the merit of the better argument provides grounds for future action. Furthermore, since state, business and civil society actors usually see only one side of energy issues a conference like this is extremely useful in creating an opportunity for a more complete picture on energy affairs to emerge.

The discourse on sustainable energy is a long-term process which is essentially open-ended (as 'truth' is constantly renegotiated) but I see the importance of Energiaklub's activities in the initiation of such a discourse and in creating those venues where civil society organizations can communicate and inject their interest. This has a bearing on the

71 Such discursive practices do not resemble "ideal speech" situations where power and hierarchies are completely absent and nothing but the better argument counts. In real-life interactions power relationships and interest based arguments are never completely out of the picture. Nor does communicative processes always involve logical arguments (Risse & Sikkink 1999:14).

72 Energiaklub tried to frame its arguments to be appealing to the state's point of view: energy efficient building infrastructure creates jobs, boosts the economy and decreases fuel dependency. No government would argue with such reasoning.

quality of decision-making however embryonic this effect might seem today. The realization of long-term sustainable energy strategies is a constant challenge for environmental NGOs since it often clashes with the short-term priorities of ruling governments which try to avoid unpopular policies in order to get elected again. Veronika Móra, the director of the intermediary grant-making foundation puts down this discrepancy to two essentially differing views on the mode of human development.

> Because of their activities, greens are necessarily more oppositional in character than other, for example social services NGOs. Since greens believe in a fundamentally different social development than the one which has been dominant in Hungary, they will always be in opposition to any ruling government. They will always say something else than what the government says. (Móra interview:8.11.2012)

Perhaps the situation is not so pessimistic and current opposing interests can be brought reconciled after all. I believe that the creation of platforms for discourse where norms of progress and development can be renegotiated and reproduced can possibly contribute to converging attitudes. For Energiaklub, civil society is an arena to debate and challenge the prevailing ideas of progress and development through active participation in non-formal non-institutionalized political spaces. They do not seek merely to strengthen the existing democratic institutions or defend civil society against the state but promote new forms of participation where they can have a say in deciding what form of progress and development should take. The implications of the NGO's alternative vision (an economy and lifestyle based on sustainable energy) point to the need for a renewal of the debate on the role of the state, how best to develop the common interests of the society and the way society and state interrelate. An active citizenry constantly has to remind decision-makers of alternative solutions in order to make public policies more responsive to their interests, and opening up a dialogue on a specific issue is the perfect start to do this. Sikkink and Risse also arrive at the conclusion that argumentative discourse is precisely that facilitating condition under which actors change from one mode of action to another. Engaging decision-makers in a seemingly “harmless” debate, which puts no obligations on them is the first step to plant the seeds of a new paradigm. The power of communicative rationality is a

guarantee of long-term change.[73]

4.3.4. The Role of the Norway Grants

The growing disillusionment with the institutions of representative democracy (e.g. parties, elections, etc.) has increasingly necessitated that citizen's opinions and interests be channeled to the political structures in alternative ways in order to increase government's effectiveness and legitimacy.[74] With the help of the grants such an channel of citizen input was set up by Energiaklub, which deepened democracy in many aspects. The roundtable conferences were bottom-up initiatives, where underrepresented voices, values and interests of society could emerge. Establishing forums in the public sphere where actors from diverse spheres can meet is a democratic guarantee of the legitimacy of future collective decisions, since these decisions ultimately derive their legitimacy from being responsive to the needs of those affected. Civil society organizations which are devoted to public goods such as environmental integrity are especially important for democracy, since these goods must be provided to everyone if they are provided to anyone (Warren 2011:10). A sustainable way of development is serves everyone's long-term interests.

Energiaklub's function as an advocacy organization deepened democracy in the sense that the NGO stepped up as an agent of change, devoted to introduce new rules to the game through communication and argumentation in the open and not through behind-the-doors lobbying. They did not only facilitate the exchange of information and coordinate otherwise independent actors, they also tried to influence policy formation by providing intellectual

73 In their effort to trace how human rights norms internalize into domestic political practices, Sikkink and Risse find that once repressive governments start to "talk the human rights talk" and accept the validity of human rights norms initially only for instrumental purposes, oppressive governments gradually get entangled in a discourse which they cannot escape in the long run. When governments make minor concessions they underestimate the impact of such changes, thinking that "talk is cheap" and they do not understand the degree to which they got entrapped in their own rhetoric. The more norm-violating governments argue with their critics the more likely they are to make argumentative concessions and the less likely they are to leave the arguing mode by openly denouncing their critics (Risse & Sikkink 1999:16).

74 In Gellner's view democracy is an illusion because it suggests that it is possible to implement the will of all individuals in a given society. As he puts it: the "defect of 'democracy' is the naïvety of the model which it suggests, and which it encourages its users to take seriously." He suggests that the closest we can get to this ideal is through civil society (Gellner 1994:184).

companionship to the political leadership. A critical aspect of their advocacy activities was to gain influence over decision-makers through the use of rational arguments, believing that in the marketplace of ideas that idea 'wins' which is superior to another (Pautz 2011:424). Thus the main significance of the grants in this case can be grasped through considering how it empowered Energiaklub in addressing energy sustainability issues in the public space and how it managed to feed societal needs and interests into the political agenda. These activities are all dividends of democracy since they improve the quality of the policy-making process and build habits of cooperation between society, business and state.

The Norway Grants had a profound effect on the NGO from an organizational point of view as well. Not only did the assistance mean a ray of hope in the context of slumping domestic resources, it also offered an opportunity for organizational development. Energiaklub was especially successful in this respect, since its members from the beginning consciously tried to design their project in a way that serves the purpose of organizational development as well. (Csikai interview:26.10.2012) It was an explicit aim of the management to re-categorize the organization as a think tank and not as a civil society organization.[75] The NGO's name, accordingly was changed to Energiaklub Climate Policy Institute and Applied Communications. They realized that in order to be considered as equal partners by governmental and business actors, they have to reposition themselves in the public sphere as an organization based on scientific knowledge-production and their name should to reflect this.

They no longer wished to be 'branded' as a civil society organization any more, lest they are mistaken for one of those civil organizations which gave a bad name to civil society. They were less concerned about the fact that many CSOs operate in unethical ways in order to serve the narrow interests of their members[76]; their main motivation for

75 I interpret the newly transformed NGO as a think tank which are organizations devoted to devising and promoting policy advice to governments within their specific kind of knowledge. Often think tanks are classified as non-profit organizations but many of them are funded through government or business or generate revenues from consulting activities. Think tanks often call themselves institutes or centers, similarly to Energiaklub. The emergence of politically independent civil society think tanks has been most evident in Eastern Europe, Asia and the developing world from the 1990s (Pautz 2011).

76 Many critics of civil society have pointed to the 'dark side' of CSOs. Civil society actors are often accused of running their organization as a small-sized business where civil activities serve as a primary or secondary way of income generation (Szabó interview:11.12.2012). It is difficult to pinpoint, however, whether blurred lines between non-profit and for-profit activities – e.g. unaccountability, unclear status of staff, etc. – is necessitated by the sheer survival of the organization or because of personal benefit. Other "artificial" CSOs are set up by political parties and official authorities to extend their own influence (Miszlivetz 2000:77). "Quasi-foundations" are often established by companies to use these as tax shelter (Csikai interview: 26.10.2012). Media scandals about syphoned-off state funds further tarnish the public

distancing themselves from other civil society organizations was rather misbelief in their professionalism.

> We felt the need of an organizational transformation. We did not want to be a civil society organization in the bad sense, one that talks politics on an emotional basis. We wanted to leave this behind officially and become an organization that talks politics because it has the knowledge base to do so. (Csikai interview: 26.10.2012)

Energiaklub's highly educated cadre of experts have always prided itself on the specialized knowledge they produce but the Norway Grants finally presented the opportunity to establish themselves as professional players in the political public sphere. Information and knowledge are the main assets of the organization and they are aware that in order to influence decision-making they have to be more competent than the average environmental organizations. Since think tanks are known for providing politically independent and trustworthy information for decision-makers and businesses, this new self-definition seemed to suit well an NGO that already had a profile regarding specialist knowledge in energetics and had pursued its activities on a highly professional level for decades.

Another consequence of the conferences apart from the professional development was that their reputation of Energiaklub considerably increased among renewable energy actors. They proved to be up-to-date facilitators in a specialized debate that gained the NGO credibility. Their knowledge on renewable energy for example contributed to winning an EBRD (European Bank for Reconstruction and Development) tender, where they took part in an international consortium that assisted the state in preparing a high-profile strategic paper, the Hungarian Renewable Energy Action Plan. (Energiaklub Final Project Report 2009) The round table discussions were successful in terms of winning recognition in political spheres as well. A proof of Energiaklub's successful attempts to trade in expertise for political power is the fact that the government found their final analysis on renewable energy so useful that the Hungarian Energy Authority – a state authority – commissioned a new report from Energiaklub on the legal anomalies of the permitting process for RE technologies (Csikai interview: 26.10.2012). This is an evidence that with fact-based, professional argumentation and by finding the right opportunities for a decision-influencing

perception of the civil sector.

debate the first changes in energy policy can be attained. This would have been much more difficult without the funds Norway provided, since there is always an endogenous power imbalance in the interactions of the civil sphere vis-á-vis the state, and the civil sphere vis-á-vis the business sphere.

> Civil society organizations always have less money and less knowledge. While the state commands enormous amounts of data, the business sphere has considerable amounts of capital at its disposal. (...) As long as a tobacco factory can pay millions for a research that proves that lung cancer and smoking is not causally related, the environmental movement will never be able to compete with such lobby powers. (Kiss interview: 05.11.2012)

In his comment, Csaba Kiss points to the fact that the production of knowledge as well as gaining validity to this knowledge is contingent upon financial power. It is therefore a very important aspect of such large-scale funds as the Norway grants that it empowered civil society actors to represent their interests and to stand on par with the state and the market. As in the case of the grassroots NGO fighting against aircraft noise, resources were essential for Energiaklub to be able to pay professionals to produce independent knowledge and quality work. This way the grants helped the NGO to surmount its disadvantages and to even out imbalances of power.

On the other hand, the NGO Fund can be considered to be indirectly beneficial for state actors as well, who often lack the administrative resources – expertise, personnel and funding – to cooperate with and to reward non-state actors in return for offering their expertise. With the help of the funds the reward problem is partly eliminated; benefitting states and offering more incentive to non-state actors to exchange their intellectual resources (Börzel & Buzogány 2010:164).

To sum up, this section introduced Energiaklub, an ENGO that has promoted sustainable energy solutions, which – once incorporated into public policy – would help Hungary to decrease its fuel imports, save energy and use public money in a sustainable way. Drawing on Habermas's theoretical framework on the public sphere and discourse the analysis showed how the NGO created a forum in the public sphere where the norm of progress and the validity of present energy policies could be renegotiated. In these forums

and their persistent lobby activities Energiaklub was able to channel expert opinion into decision-making by initiating a critical and rational discourse on energy policies. The long-term results of this process are uncertain – it is a negative sign that the exposed legal anomalies were not followed up by the state afterwards – but the first signs of trust and cooperation between the NGO and the state are visible. The commissioned study on the legal anomalies of RE technology is one of the few cases when the state delegated its responsibilities to civil society actors. This is very welcomed by ENGOs, who consider the outsourcing of state tasks to civil society actors through public procurement is very desirable (Csikai interview:26.10.212). However, this is not yet an established practice. Apart from the field of social service provision, the state has not really found those connection points and cooperative mechanisms through which it shares its workload by relying on societal resources even if it could potentially improve the quality and efficiency of the execution of the state's public duties. (Bíró 2002:75) On a more symbolic level, the commissioned study was a sign of restored mutual trust between the state and civil society that vanished at the beginning of the 1990s. The role of the grants has been of crucial importance as it contributed to the establishment of such a connection point in the public sphere, propelled the organization to become a think tank and it also empowered Energiaklub to trade in its specialized knowledge for political influence and become an equal actor in its relationship with the state.

5. Conclusion

The main focus of the thesis was on the relationship between the EEA and Norway Grants and Hungarian environmental NGOs. This relationship has been examined both descriptively through exploring the activities of two civil society organizations, and analytically, by embedding these activities in civil society theories. The central question of my inquiry was: being the second biggest sponsor of Hungarian civil society, what role does the EEA and Norway Grants play in the environmental work of civil society organizations? How do these organizations use foreign resources to achieve maximum effect? What strategies do they employ and what functions do they fulfill through their activities?

A review of the literature revealed that the roots of contemporary academic and donor interest in civil society lie in the ideal of social association as a precondition of human emancipation and a pluralist political space. These claims were often articulated – especially in the context of formerly suppressed Eastern European countries – with a deep hostility to the state. Civil society gained meaning in the face of a bureaucratized and overweening state machine which ruthlessly interfered with society. The ideal of civil society found a powerful echo in the West where a right-wing attack on the welfare state was beginning to develop. (Edwads 2011:11) Donors accordingly channeled considerable amounts of civil society assistance, believing (too naively perhaps) that civil society is the "oil" greasing the wheels of democracy (Encarnación 2011:2). Donors often expected civil society organizations to be a magic bullet for societal problems and bent to the task of manufacturing civil societies from the outside. Expectations of what civil society is able to deliver have been high, but were often based on faulty assumptions. Consequently, results neither lived up to donors' nor civil society members' expectations.

Most discussions of development assistance tend to go one way: while much is said about the 'effects' and 'results' of assistance in the beneficiary countries, the wider context of international relations which produces the *raison d'être* of assistance is often left out of the picture. International relations theories are useful in looking behind the façade of development assistance. From the perspective of the realist theory the grants are not a direct

result of Norway's overbrimming solidarity with Eastern Europe. Similarly, the nature of the negotiations highlights the fact that assistance is rarely set up for purely altruistic reasons. At the same time, however, humane internationalism directs the spotlight on Norway's long history of philanthropic activities abroad and the nation's deep-rooted traditions of a strong civil society which form a part of Norwegians' national identity. These aspects explain in part Norway's commitment to solidarity and support of Hungarian civil society. The truth is most likely the combination of the two approaches: even if the EEA and Norway Grants has been an outcome of international obligations or necessities, it cannot be denied that the money was put to a good purpose. Foreign political doctrines aside, the grants have definitely contributed to the globalization of civil society and raised Norway's image abroad.

Although civil society was the *Zeitgeist* of the Cold War-era, civil society assistance has grown in popularity among policy makers and donors since the 1980s. In the face of the economic crisis, centralizing political tendencies, xenophobia, etc., the need for a robust civil society in Hungary seems especially burning in order to counterbalance such dark forces. While the weakness of Hungarian civil society does not forecast democracy's demise, it does suggest that democracy remains troubled in the foreseeable future (Howard 2011:1). The EFTA donors are well aware of Hungary's challenges and it is no coincidence that civil society assistance has been a key priority among the development programs. The difference between earlier donors and EFTA states is that the latter do not view the existence of civil society as an end in itself, rather as a means to promote democracy and good governance.

The section of civil society which I examined closely, namely the environmental organizations, is perhaps better insulated from shocks than other sections of Hungarian civil society. The environmental movement, which had a defining role in the democratization processes of the 1980s is the best organized, has extensive international connections and operates on several forums where they can exert their influence. Foreign assistance played a central role in the development of this section of civil society since the mid-1980s until today and contributed to different aspects of civil society development: from organizational development, globalizing agendas, transfer of managerial know-how and international networking. The voice of environmentalists, however, is not always heard since the post-materialistic interests they represent often do not have a leverage on governments' shorter-

term interests. Recent mismanagement and cuts in state funds, ebbing international sources and dwindling philanthropic donations have taken their toll on the greens as well. These have consequently lowered the morale of civil society to a point of extreme apathy.

Amidst this apathy the main question I asked was how the EEA and Norway Grants has helped the greens pursue their agendas? How are they involved in the "change work" often attributed to them? How do they keep the state in check and how do they give voice to the marginalized? Chapter Three and Four examined this issue by having a closer look on two specific cases. Since we have limited knowledge on understanding of how civil society contributes to improved democratic practices – if at all – the case studies provided critical insights into these mechanisms. In case one we witnessed Rákoshegy Airspace Association's struggle against the neighboring airport and dysfunctional public authorities as it tried to stand up on behalf of its constituency and vindicate its rights. The funds were essential for the organization to realize its activities from making documents of public interest available, monitoring legislative processes and noise impact levels. By taking on board Keane's concept of monitory democracy, I have demonstrated that the association is one of those many power-scrutinizing organizations which keep power on hold. By sponsoring them, the EEA and Norway grants indirectly contributed to the development of monitory democracy by facilitating such pressure "from below." The association's functioning as a watchdog is a manifestation how monitory democracy comes about. By keeping a close eye on state institutions and keeping a tab on policy outputs and big business the organization brought greater public accountability and transparency about. However small-scale their project was, it did manage to make decision-makers more responsive to the locals' needs and to change the legislation on the noise levels. Their work has also inspired others to exert civic control, ensuring that the issue will be kept hot even after the project is over. Although the project might not have lived up 100% to the expectations of the association's members, their efforts undeniably contributed to spreading pro-democratic virtues.

In case two we encountered a very different type of organization from the other pole of civil society. Energiaklub is one of those few well-resourced, well-capacitated, professional NGOs which advocates sustainable energy policy solutions on a national level and mainly targets decision-makers. This NGO also utilized the opportunities offered by the grants to the maximum by triggering a much needed debate about the course energy policies ought to take. Energiaklub's main achievement has been to facilitate a rational-critical

debate between representatives of business, state and the civil sphere in order to discuss public issues. The roundtable conferences played an important role in legitimizing political decisions and endowing them with increased social validity. The policy papers also served Energiaklub's lobby activities. The NGO's function as an advocacy organization deepened democracy in the sense that the NGO stepped up as an agent of change and injected new rules to the game through communication and argumentation. The grants were instrumental for the NGO's organizational development, in reaching out for other international projects, and in receiving commissioned work from the government. Both my study of existing literature and my interview with a stakeholder confirm that even if their efforts were not followed up by more sustainable policy changes, the Norway Grants contributed to the revitalization of the Hungarian public space by providing support to a project which initiated a rational-critical discourse on sustainable energy solutions.

Without a counterfactual history – e.g. what if these organizations did not receive money from the NGO Fund – it is difficult to assess the real impact of the assistance. However, without trying to over-interpret the importance of the grants, it can be concluded with a high degree of certainty that the activities and functions of the analyzed organizations did buttress democracy and that the Norway Grants had a crucial role in this. The assistance increased the organization's negotiating capacities and enabled them to punch above their weight. To put it metaphorically, it gave more teeth to the watchdogs.

It has to be mentioned, however, that while donors can positively reinforce freedom, equality and autonomy of the civil sphere through financial assistance, international assistance will not be able to solve the present challenges of Hungarian civil society. Steps in the promotion democracy have been small in comparison with the range of tasks at hand. As it has been observed before “Working at the margins, donors can, at best, fashion small miracles” (Van Rooy & Robinson 2000:33). On the other hand, external assistance cannot be taken for granted. Since donors are subject to different tensions, pressures and international commitments, it is unpredictable how long Hungarian civil society can be so fortunate to benefit from such assistance. As a consequence, it is of crucial importance that sustainability issues are addressed domestically. My view is that it it necessary to open up a dialog about the roles, status, and (financial and legal) regulation of civil society. The “health” of civil society essentially depends on forces and processes originating within Hungary. Civil society may be nurtured most effectively if there is a strong popular and

political trust in voluntary organizations, if fissures between civil society and the state are buried, and the culture of cooperation and reciprocity becomes more widespread. These factors will define the prospects for democracy in Hungary in the long run.

References

Agrawal, A. (2005): Environmentality: Technologies of Government and the Making of Subjects. London: Duke University Press.

Arksey, H. and Knight, P. (1999): Interviewing for Social Scientists: An Introductory Resource with Examples. London: Sage Publications.

Association for Orderly Aviation (Retrieved: 24.01.2013): "Open letter to Levente Riz." [online].-URL: http://www.facebook.com/pages/Kulturált-Légi-Közlekedésért-Egyesület/495839357127012?fref=ts

Bellona Foudation (04.10.2008): "The Bellona Foundation – Introduction" [online].- URL: http://www.bellona.org/Aboutus/18060

Bíró, E. (2002): Nonprofit Szektor Analízis: Civil Szervezetek Jogi Környezete Magyarországon. [Non-profit Sector Analysis: Legal Environment of Civil Sector Organizations] [online].-URL: http://www.emla.hu/nosza/kutatas/vegtan.pdf

Börzel, T. (2010): "Why You Don't Always Get What You Want: EU Enlargement and Civil Society in Central and Eastern Europe." Acta Politica 45(1-2):1-10.

Börzel, T. A. and Buzogány, A. (2010): "Governing EU Accession in Transition Countries: The Role of Non-state Actors." Acta Politica 45(1-2):158-182.

Bruszt, L. (2003): "A Civil Társadalom Nem Egységes Egész" [Civil Society is not a Unified Entity] In: Magyar Narancs 2003(30) [online].- URL:

http://magyarnarancs.hu/belpol/a_civil_tarsadalom_nem_egyseges_egesz_bruszt_laszlo_szociologus-66516

Budapest Airport (Retrieved: 03.01.2013): “Történet” [History] [online].-URL: http://www.bud.hu/budapest_airport/tenyek_a_repterrol/tortenelem

Budapest Airport (Retrieved: 20.04.2013b): “Lakossági kapcsolatok” [Public Relations] [online].-URL: http://www.bud.hu/budapest_airport/fenntarthatosag/lakossagi_kapcsolatok

Bull, B. (2007): “Comparing Critical Junctures: The Democratic Inclusion of Social Movements in Norway and Latin America”. Forum for Development Studies 34(1):63-89.

Buna, B. (2010): “Study of Noise in the Vicinity of Budapest Airport” [online].-URL: http://www.rakoshegyilegter.hu/sites/all/uploads/buna_bela_jelentes.pdf

Calhoun, C. (1992): “Introduction: Habermas and the Pubic Sphere” in Calhoun, C. (ed.): Habermas and the Public Sphere. Cambridge/London:The MIT Press.

Carmin, J. (2010): “NGO Capacity and Environmental Governance in Central and Eastern Europe”. Acta Politica 2010(45):183–202.

Csaba, L. Gy. (2007): “Áttekintes Dánia, Norveégia és Svédország Nonprofit Szektoráról” [Overview of the Nonprofit Sectors of Denmark, Norway and Sweden.] Civil Szemle 2007(3-4):207-233.

Celichowski, J. (2004): “Civil Society in Eastern Europe: Growth without Engagement” in Glasius, M., Lewis, D. and Seckinelgin, H. (eds.): Exploring Civil Society: Political and Cultural Contexts. London: Routledge.

Chambers, S. (1995): “Discourse and Democratic Practices” in White, S. K. (ed.): The

Cambridge Companion to Habermas. New York/Oakleigh, Melbourne: Cambridge University Press.

Císař, O. (2010): "Externally Sponsored Contention: the Channelling of Environmental Movement Organizations in the Czech Republic after the Fall of Communism" Environmental Politics 19(5): 736-755.

Clean Air Action Group (30.10.2010): "A Ferihegyi Repülőtér Elvérzett a Bíróságon" [Budapest Airport Bled to Death at Court] [online].-URL: http://www.levego.hu/hirek/2010/10/a_ferihegyi_repuloter_elverzett_a_birosagon

Cohen, J. L. and Arato, A. (1992): Civil Society and Political Theory. London: The MIT Press.

Court of the 18. and 19. Districts in Budapest (11.10.2010): "Verdict" [online].-URL: http://www.rakoshegyilegter.hu/?q=system/files/B.Légtér.BPA_.015.2010_0.pdf

Dahrendorf, R. (1990): "Has the East joined the West?" New Perspectives Quarterly 7(2):41-43.

Det Kongelige Utenriksdepartementet (UD) (Retrieved: 27.04.2012): "Melding til Stortinget 20 – EØS-midlene: Solidatitet og Samerbeid i Europa". [online].- URL: http://www.regjeringen.no/pages/37860848/PDFS/STM201120120020000DDDPDFS.pdf

Dunn, A. (2011): "Gatekeeper Governance: The European Union and Civil Society Organizations." in Philips, S. D. and Smith, S. T. (eds.): Governance and Regulation in the Third Sector: International Perspectives. London: Routledge.

Edgar, A. (2006): Habermas: The Key Concepts. London: Routledge.

Edwards, M. (2011): "Introduction: Civil Society and the Geometry of Human Relations" in

Edwards, M. (ed.): The Oxford Handbook of Civil Society. Oxford: Oxford University Press.

EEA and Norway Grants (Retrieved: 17.04.2013): “€12.6 to Hungarian NGOs”. [onine].-URL: http://eeagrants.org/News/2013/12.6-million-to-Hungarian-NGOs

EEA and Norway Grants (Retrieved: 18.04.2013): “Global Fund for Decent Work and Tripartite Dialogue”. [online].-URL: http://eeagrants.org/programme/view/HU22/PA22

EEA and Norway Grants (Retrieved: 11.04.2012): “Who we are” and “What we do”. [online].-URL: http://eeagrants.org.ez.07.no/Who-we-are

EEA and Norway Grants (Retrieved: 30.11.2012): “Achievements in Hungary”. [online].-URL: http://eeagrants.org/Where-we-work/Results/Hungary

EEA and Norway Grants (Retrieved: 23.05.2012): “EEA Grants” “Norway Grants” and “Organization” [online].- URL: http://www.eeagrants.org

EEA and Norway Grants (17.06.2011): “EGT és Norvég Finanszírozási Mechanizmusok 2004-2009: Partnerség Európáért” [The EEA and Norway Financial Mechanisms 2004-2009: Partnership for Europe]. Budapest: Norvég Nagykövetség és Nemzeti Fejlesztési Ügynökség.

EEA and Norway Grants (Retrieved: 15.09.2010): “Integrating Roma Communities”. [online].-URL: http://eeagrants.org/News/2010/Integrating-Roma-communities

EFTA (Retrieved: 17.04.2013): “EEA Agreement”. [online].-URL: http://www.efta.int/eea/eea-agreement.aspx

Ehrenberg, J. (2011): “The History of Civil Society Ideas” in Edwards, M. (ed.): The Oxford Handbook of Civil Society. Oxford: Oxford University Press.

Eichelberger, L. (2012): “Sustainability and the Politics of Calculation: Technologies of 'Safe Water', Subject-Making and Domination” Journal of Political Ecology 19(11):145-161.

Encarnación, O. G. (2011): “Assisting Civil Society and Promoting Democracy” in Edwards, M. (ed.): The Oxford Handbook of Civil Society. Oxford: Oxford University Press.

Energiaklub (Retrieved: 22.03.2013): “Introduction Material”. [online].-URL: http://energiaklub.hu/sites/default/files/ek_bemutatkozo_net.pdf

Energiaklub (Retrieved: 23.05.2012): “MVM defeated – yet again”. [online].-URL: http://energiakontrollprogram.hu/en/news/paks-expansion-mvm-defeated-yet-again

Energiaklub (27.11.2009): Final Project Report.

European Commission (Retrieved: 09.04.2013): “Energy Efficiency”. [online].-URL: http://ec.europa.eu/energy/efficiency/buildings/buildings_en.htm

European Commission (Retrieved: 10.09.2012): “The EU Climate and Energy Package”. [online].-URL: http://ec.europa.eu/clima/policies/package/index_en.htm

European Commission (2007): “Energy Mix Fact Sheet”. [online].-URL: http://ec.europa.eu/energy/energy_policy/doc/factsheets/mix/mix_hu_en.pdf

Europa Summaries of EU Legislation (Retrieved: 12.02.2007): “PHARE Program” [online].-URL: http://europa.eu/legislation_summaries/enlargement/2004_and_2007_enlargement/e50004_en.htm

Fagan, A. and Carmin, J. (2010): “Environmental Mobilization and Organizations in Post-Socialist Europe and the Former Soviet-Union”. Environmental Politics 19(5):689-707.

Felkay, A. (1997): Out of Russian Orbit; Hungary Gravitates to the West. Westport, CT: Greenwood Press.

Fellegi, D. and Fülöp, O. (2012): "Poverty or Fuel Poverty?: Defining Fuel Poverty in Europe and Hungary". [online].-URL: http://energiaklub.hu/sites/default/files/energiaklub_poverty_or_fuel_poverty_1.pdf

Fellegi, D. (2010): "Vizsgálat és Javaslatok az Energiaszegénység és az Energiaárak Állami Támogatásának Kérdéskörében" [Study and Recommendations on Fuel Poverty and Energy Subsidies][online].-URL: http://energiaklub.hu/sites/default/files/energiaarak_v_energiaszegenyseg.pdf

Fisher, D. and Davis, C. (eds.) (1992): Civil Society and the Environment in Central and Eastern Europe. London: Institut für Europäische Umweltpolitik.

Fülöp, O. (2009): "Ösztönzött Pazarlás" [Incentives for Being Wasteful][online].-URL: http://energiaklub.hu/sites/default/files/energiaarak_allami_tamogatasa_0906.pdf

Freedom House (2011): "Hungary: Freedom of the Press". [online].-URL: http://www.freedomhouse.org/report/freedom-press/2012/hungary

Hardy, M. (Retrieved: 31.08.2010): "Hangosak a Repülők – Rákoshegy és a Budapest Airport Vitája, ami Műsorunk után ma a Bíróságon Folytatódik " [The Planes are Noisy - The Dispute between Rákoshegy and Budapest Airport, which Continues in the Court Today after the Debate] [online].-URL: http://videotar.mtv.hu/Cimkek/f/e/fejer_gyula.aspx

Harper, K. (2006): Wild Capitalism: Environmental Activism and Post-Socialist Political Ecology in Hungary. New York: East European Monographs/Columbia University Press.

Hopkins, R. F. (2000): “Political Economy of Foreign Aid” in Tarp, F. (ed.): Foreign Aid and Development. London: Routledge.

Howard, M. M. (2011): “Civil Society in Post-Communist Europe” in Edwards, M. (ed.): The Oxford Handbook of Civil Society. Oxford: Oxford University Press.

Howell, J. and Pearce, J. (2001): Civil society and Development: A Critical Exploration. Boulder, London: Lynne Rienner Publishers.

Hungarian Government (Retrieved: 18.04.2013): “Fontos a Társadalmi Szervezetek Véleménye”. [online].-URL: http://www.kormany.hu/hu/videkfejlesztesi-miniszterium/parlamenti-allamtitkarsag/hirek/fontos-a-tarsadalmi-szervezetek-velemenye

Hungarian Government (Retrieved: 18.04.2013): “Ministry of Human Resources”. [online].-URL: http://www.kormany.hu/en/ministry-of-human-resources/offices-of-the-ministers-of-state

IngatlanMax (09.10.2007): “Rettegett lakások” [Dreadful Apartments] [online].-URL: http://www.ingatlanmax.hu/index.php?o=22&id=175

Kákai, L. and Sebestény, I. (2012): “The Weight of the Nonprofit Sector and the Impact of the Economic Crisis in Hungary.” Civil Szemle 2012(3):115-135.

Keane, J. (2013): “Civil Society in the Era of Monitory Democracy” in Trägårdh, L., Witoszek, N., and Taylor, B. (eds.): Civil Society in the Age of Monitory Democracy. Oxford: Berghahn Books.

Király, Zs. (2010): “Összefoglaló az épületek energetikai jellemzőiről szóló direktíva felülvizsgálatáról” [Summary of the Review of the Energy Performance of Buildings Directive] [online].-URL: http://energiaklub.hu/sites/default/files/kiadvanyok/osszefoglalo_EPBD_felulvizsg.pdf

Kothbauer-Lichtenstein, M-P. and Kongshem, M. (2005): “The Group of Like Minded Countries within the OSCE” in OSCE Yearbook 2005. [online].-URL: http://www.core-hamburg.de/documents/yearbook/english/05/KothbauerKongshem-en.pdf

Kuti, É. (2007): “Reframing the NGO and Civil Society Discourse: Perspectives from Eastern Europe” in Opoku-Mensah, P., Lewis, D. and Tvedt, T. (eds.): Reconceptualizing NGOs and their Role in Development. Aalborg: Aalborg University Press.

Kuti, É. (2008): “Stratégiai cselekvésen innen, illúziókon túl”. [From strategic action, beyond illusions.] Civil Szemle 2008(4): 5-43.

Kuti, É. (2006): “Arm's Length Funding for Civil Society: Lessons from the First Year of the National Civil Fund in Hungary”. Public Management Review 8(2): 351-365.

Lipschutz, R. D. and Mayer, J. (1996): “Global Civil Society and Global Environmental Governance: The Politics of Nature from Place to Planet” Albany: State University of New York Press.

Miro-Kiss, I. (1992): “Hungary” in Fisher, D. and Davis, C. (eds.): Civil Society and the Environment in Central and Eastern Europe. London: Institut für Europäische Umweltpolitik.

Miszlivetz, F. (2008): “Understanding Civil Society Before and After 1989” Recerca Revista de Pensament i Analisi 2008(8): 91-112

Miszlivetz, F. and Ertsey, K. (2000): “Hungary” in Van Rooy, A. (ed.): Civil Society and the Aid Industry. London/Sterling, VA: Earthscan Publications Ltd.

Móra, V. (2012): “Introduction of 'Act CLXXV of 2011 on the Freedom of Association,

Public Benefit Status, and on the Operation of and Subsidy for Non-Governmental Organizations'". Civil Szemle 2012(3): 159-166.

Móra, V. (2008): "A Zöldek (környezet-, természet-, és állatvédő szervezetek". [The Greens: Environmental, Nature and Animal Protecting Organizations] Civil Szemle 2008(1-2): 119-131.

Móra, V. (2008b): "A Zöldek (környezet-, természet-, és állatvédő szervezetek" [The Greens: Environmental, Nature and Animal Protecting Organizations] Draft version. 1-10.

Moravcsik, A. and Haggard, S. (1993): "The Political Economy of Financial Assistance to Eastern Europe, 1989-1991" in Keohane, R. O., Nye, J. S. and Hoffmann, S. (eds.): After the Cold War: Politics and Institutions in Europe. Cambridge: Harvard University Press.

Moses, J. W. and Torbjørn, L. K. (2007): Ways of Knowing: Contemplating Methodologies in Social and Political Research. Houndmills: Palgrave Macmillan.

MTI (Retrieved: 2011.03.14.) "Green Ombudsman Criticizes Draft Constitution" in Politics.hu [online].- URL: http://www.politics.hu/20110314/green-ombudsman-criticizes-draft-constitution/

National Development Agency (Retrieved: 18.04.2013): "Development Programs". [online].-URL: http://www.nfu.hu/development_programmes

NGO Grants Guideline of the EEA and Norway Financial Mechanism 2004-2009. (2007). [online].- URL: http://www.eeagrants.org/asset/338/1/338_1.pdf

Norvég Civil Támogatási Alap (Retrieved: 13.04.2013): "NTCA 2008-2010 Archívum" [Hungarian NGO Fund Archives 2008-2010] [online].-URL: http://norvegcivilalap.hu/ncta2011

Norwegian Ministry of Foreign Affairs (2009): “Norway and the EU”. [online].-URL: http://www.regjeringen.no/upload/UD/Vedlegg/eu/Norway%20and%20the%20EU.pdf

Oriniaková, P. (ed.) (2009): Structural Funds and Partnership: An Analysis of the Partnership of Public Administration with Non-Governmental Non-Profit Organizations in Central and Eastern Europe. Přerov: EUROPRINT.

Oriniaková, P. and Dönsz, T. (ed.) (2009): Strukturális Alapok és Partnerség: Civil Kutatás Közép és Kelet-Európában. [Structural Funds and Partnership. Hungarian edition.] Budapest: MTVSZ, SFTeam.

Paffenholz, T. and Spurk, Ch. (2006): “Civil Society, Civic Engagement, and Peacebuilding” Social Development Papers: Conflict Prevention and Reconstruction. Social Development Department The World Bank. (2006)36:1-48. [online].-URL: http://siteresources.worldbank.org/INTCPR/Resources/WP36_web.pdf

Parliamentary Resolution 57/2008. (Retrieved: 19.05.2008) [online].-URL: http://www.nfft.hu/dynamic/parliamentary_resolution_57.pdf

Pataki, K. (February 2010): “Opinion of the Judicial Noise Expert”. [online].-URL: http://www.rakoshegyilegter.hu/?q=system/files/Szakértői%20vélemény_Pataki%20Károly%2001_1-86.pdf

Pautz, H. (2011): “Revisiting the Think Tank Phenomenon.” Public Policy and Administration. 26(4):419-435.

Pearce, F. (2009): “The Dam that Broke the Berlin Wall.” New Scientist 203(2716): 46-47.

Persányi, M. (2006.03.10.): “A tagadás felelőssége” [The responsibility of denial] In: Népszabadság [online].-URL: http://nol.hu/archivum/archiv-396894

Persányi, M. (1992): “Hungary: Red Pollution, Green Evolution, Revolution in Hungary” in Fisher, D. and Davis, C. (eds.): Civil Society and the Environment in Central and Eastern Europe. London: Institut für Europäische Umweltpolitik.

Pickvance, K. (1997): “Social Movements in Hungary and Russia: the Case of Environmental Movements”. European Sociological Review 13(1):35-54.

Pitija (2010): Evaluation of EEA and Norway Grants – NGO Funds. [online].-URL: http://eeagrants.org/Results-data/Results-overview/Documents/Evaluations-and-reviews/Evaluation-NGO

Rákoshegy Airspace Association (2010): “Szöveges Bemutatkozás, Célok, Ügyek, Feladatok” [Introduction of the Organization: Aims, Issues, Tasks][online].-URL: http://www.rakoshegyilegter.hu/?q=node/14

Rákoshegy Airspace Association (2010b): “Zaj és Rezgésterhelés” [Noise and Vibration Exposure][online].-URL: http://www.rakoshegyilegter.hu/?q=node/14

Risse, T. and Sikkink, K. (1999): “The Socialization of International Human Rights Norms into Domestic Practices: Introduction” in Rise, T., Ropp, S. C. and Sikkink, K. (eds.): The Power of Human Rights: International Norms and Domestic Change. Cambridge: Cambridge University Press.

Sivesind, K. H., Lorentzen, H., Selle, P., and Wollebæk, D. (2002): The Voluntary Sector in Norway: Composition, Changes and Causes. Oslo:Institute for Social Research.

Stake, R. (1994): “Case Studies” in Denzin, N. K. and Lincoln, Y. S. (eds.): Handbook of Qualitative Research. Thousand Oaks, CA: Sage.

Stokke, O. (2005): “Chapter One: The Changing International and Conceptual Environments of Development Cooperation” and “Chapter Thirteen: Norwegian Aid Policy: Continuity and Change in the 1990s and Beyond” in Stokke, O. And Hoebnik, P.

(eds.): Perspectives on European Development Cooperation: Policy and Performance of Individual Donor Countries. London: Routledge.

The Economist (Retrieved: 16.03.2013): “Viktor's Justice”. [online].-URL: http://www.economist.com/news/europe/21573589-hungarian-government-defies-europe-over-constitutional-change-viktors-justice

The Economist (Retrieved: 08.04.2011): “Hungary's Plan for the Roma”. [online].-URL: http://www.economist.com/blogs/easternapproaches/2011/04/europes_roma

The Economist (Retrieved: 19.12.2011): “Slip-Sliding Again”. [online].- URL: http://www.economist.com/blogs/easternapproaches/2011/12/democracy-hungary-0

The Economist (Retrieved: 30.06.2010): “Orbán Flexes his Muscle” [online].- URL: http://www.economist.com/blogs/newsbook/2010/06/hungarian_politics

The Right Livelihood Award (1997): “Duna Kör/János Vargha” [Danube Circle/János Vargha] [online].- URL: www.rightlivelihood.org/duna-kor

Toth, B. (2010): “Public Participation and Democracy in Practice: Aarhus Convention Principles and Democratic Institution Building in the Developing World.” Journal of Land, Resources and International Law 30(1): 295-330.

Törnquist, O., Tharkan, P. K. M., and Quimpo, N. (2009): “Popular Politics of Representation: New Lessons from the Pioneering Projects in Indonesia, Kerala, and the Philippines”. in Törnquist, O., Webster, N. and Stokke, K. (eds.): Rethinking Popular Representation. New York:Palgrave Macmillan.

Trägårdh, L. (2010): “Rethinking the Nordic Welfare State through a Neo-Hegelian Theory of State and Civil Society”. Journal of Political Ideologies 15(3): 227-239.

Tvedt, T. (2007): “Reconceptualising NGOs and their Role in Development: An Outline of

the Issues" in Opoku-Mensah, P., Lewis, D. and Tvedt, T. (eds.): Reconceptualising NGOs and their Role in Development: NGOs, Civil Society and the International Aid System. Aalborg:Aalborg University Press.

Tvedt, T. (1998): Angels of Mercy or Development Diplomats?: NGOs and Foreign Aid. Oxford: James Currey.

USAID (2011): 2011 Civil Society Organization Sustainability Index (USAID CSOSI). [online].-URL: http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/reports/2011/2011CSOSI_Index_complete.pdf

USAID (2010): 2009 NGO Sustainability Index (USAID NGOSI). [online].-URL: http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/complete_document.pdf

Ürge-Vorsatz, D. and Herrero, S. T. (2010): "Fuel Poverty in Hungary". [online].-URL: http://3csep.ceu.hu/sites/default/files/field_attachment/project/node-3347/englishreportfuelpoverty.pdf

Van Rooy (2000): "Civil Society as Idea: An Analytical Hatstand?" in Van Rooy, A. (ed.): Civil Society and the Aid Industry. London and Sterling, VA: Earthscan Publications Ltd.

Van Rooy and Robinson, M. (2000): "Out of the Ivory Tower: Civil Society and the Aid System" in Van Rooy, A. (ed.): Civil Society and the Aid Industry. London and Sterling, VA: Earthscan Publications Ltd.

Varga, K. (2009): "Javaslatok a megújuló energiaforrások szabályozási és támogatási környezetének felülvizsgálásához". [Recommendations for the review of the legal and financial context of renewable energy sources]. [online].-URL: http://energiaklub.hu/sites/default/files/kiadvanyok/EK_kerekasztal_javaslatok_09.pdf

Vári, Gy. (24.11.2011): “Központosított önszerveződés.” [Centralized Associationalism] In: Magyar Narancs [online]. -URL: http://magyarnarancs.hu/belpol/kozpontositott-onszervezodes-77507

Værnes, J. B. G. (2006): EØS-Finansieringsmekanisme: Hvordan Norge Kom til å Tidoble sitt Bidrag til det Europeiske Utvidelsesprosjektet. Masteroppgave. Universitet i Oslo, Institutt for Statsvitenskap.

Warren, M. (2011): “Civil Society and Democracy”. in Edwards, M. (ed.): The Oxford Handbook of Civil Society. Oxford: Oxford University Press.

WHO (1999): “Guidelines for Community Noise”. [online].-URL: http://www.who.int/docstore/peh/noise/guidelines2.html

Witoszek, N. (2012): The Origins of the Regime of Goodness: Remapping the Norwegian Cultural History. Oslo: Scandinavian University Press.

Interviews

Name	Affiliation	Date/Place
Mária Csikai	Energiaklub (consultant)	26.10.2012 Budapest
Csaba Kiss	Environmental Management and Law Association (director)	05.11.2012 Budapest
Gabriella Eleőd-Faludy and Máté Szentirmai-Zöld	Komposztfórum (directors)	06.11.2012 Budapest
Veronika Móra	Hungarian Environmental Partnership Foundation (director)	08.11.2012 Budapest
Georgina Gál	Friends of the Earth Hungary (team leader, international relations)	14.11.2012 Budapest

Tamás Polgár	Advisor in Political and Economic Affairs, EEA and Norwegian Financial Mechanisms, Royal Norwegian Embassy in Budapest	16.11.2012 Budapest
Szilvia Kapitányné Sándor (e-mail interview)	Friends of the Earth Hungary	26.11.2012 Budapest
Gyula Szabó	Ecoservice Foundation (director)	20.11.2012 Budapest
Péter Szili	Rákoshegy Airspace Association (member)	20.11.2012 Budapest
András Lukács	Clean Air Action Group (president)	11.12.2012 Budapest
Zsuzsanna Kondor	Head of Division, Coordination Managing Authority, National Development Agency	11.12.2012 Budapest
Zoltán Szabó	Expert, Coordination Managing Authority, National Development Agency	11.12.2012 Budapest
István Deák	Association for Orderly Aviation (director)	12.12.2012 Budapest
Domokos Szollár	Head of Communications 2004-2009, Budapest Airport	15.12.2012 Budapest

Appendix

1. Semi-structured interview questions to Hungarian environmental NGOs

All information provided will be treated confidentially.

NAME OF ORGANIZATION:
Name of informant:
Age:
Highest education:

YOUR ORGANIZATION

What is the annual income of the organization?
What are the organization's main sources of income (international, domestic sources)?
How many full-time and part-time employees does the organization have?
How many members?
Do you employ volunteers? How many?
What is the main activity of your organization?

YOUR PROJECT

What was the length of your project?
How would you briefly describe your project?
What were the key objectives of the project?
How successful do you think you were in achieving it?
What do you think main achievements have been?
Who were the target of this project? How successful do you think you were in

reaching them?

What difference do you think the project made? (with regard to the organization? the beneficiaries? the issue that was your target? society at large?)

Have you continued working within this topic since the completion of the project?

How far do you think your work on this issue is sustainable in the future?

ABOUT THE GRANTS PROCESS

How would you characterize the relationship with the intermediary grant-making foundation?

How would you compare the application system of the EEA and Norway Grants with those of state and EU funds?

IN-DEPTH QUESTIONS

Some say that the 'fight' for available funds creates a hostile relationship between CSOs. What do you think?

What do you identify as the main challenges of environmental NGOs today?

What do you think about the present legal regulations considering the non-profit sector?

What kind of civil society do you think communism left behind? Some claim that experience with communism left atomized individuals behind who are uninterested in public matters; others point to the boom in the numbers of civil society organizations in the 1980-90s. What is your opinion?

How do you think ENGOs can contribute to tackling environmental challenges?

The EU requires that members states involve CSOs in decision making through the “partnership principle”. Does this enhance the scope of action of civil society members or do governments only pay lip service to this requirement?

What are the sources of the legitimacy of your organization? Who are you accountable to? (donors, state, constituency?)

Do you have connections to other NGOs, international alliances, public officials or

political parties? Do you form coalitions or networks in any other way?

AUXILIARY QUESTIONS

What/who is your source of inspiration? What motivates you?

Many people think that what greens believe in and what they do is a futile war against the interests of capitalism. There are some who even deny the existence of climate change and the need to decarbonize the world economy. What are your ideas about this?

How do you encourage public participation in your day-to-day work? Which media do you use to reach out to them?

FINALLY... Is there something you would like to mention?

Thank you for your assistance.

Semi-structured interview questions to Veronika Móra

(director of the Hungarian Environmental Partnership Foundation, one of the intermediary grant-making foundations)

All information provided will be treated confidentially.

ABOUT THE EEA AND NORWAY GRANTS

Was the donors' definition of "NGOs" fully applicable in the Hungarian context?
Why was civil society support one of the key objectives of the EEA and Norway Grants?
What were the main conclusions of the first phase of the NGO Fund?
Will the next phase be different from the first one?
The Hungarian intermediary grant-making foundations were in direct connection with the Financial Mechanisms Office in Brussels. What advantages did this have (e.g. compared to the state funding process)?
Is there any chance that the successful consortium-model will be used for the distribution of EU funds as well?
What was the main emphasis during the evaluation of project proposals?
To what extent could NGOs live up to the fund's criteria?
Did the NGO Fund help NGOs reach out for other funds afterwards?
What kind of other tenders are available for green NGOs today?
Will there be partnership between Hungarian and Norwegian civil society organizations in the next phase?
Did you try to benefit smaller organizations when distributing the funds? (Since bigger, professional ones are generally more successful in reaching out for international funds.)
How can one measure the success of the NGO Funds?

IN-DEPTH QUESTIONS

Does the state have a non-profit sector strategy?

How successful are environmental NGOs in participating in and influencing decision-making?

To what extent is the professional knowledge of civil society members acknowledged by the state?

What are those areas within environmental protection where civil society members can exert most influence?

Why is cooperation more established within the green section of the Hungarian civil sphere?

Is there a polarizing tendency between bigger and smaller ENGOs?

Is it not a contradictory situation for some NGOs that they are critical against the state while they demand more central budget funds?

What does the oft-heard statement mean that civil society organizations approach problems in innovative ways?

How did the green movement change since the 1980s? Did their priorities change?

While Western civil society was occupied with the challenges of capitalism in the 1980s, in Eastern Europe they rather found their place in service provision. Have Eastern European civil societies converged to the agendas of CSOs in the West since then?

FINALLY... Is there something you would like to mention?

Thank you for your assistance.

Semi-structured interview questions to Tamás Polgár

(advisor in political and economic affairs at the Royal Norwegian Embassy in Budapest)

All information provided will be treated confidentially.

What was your responsibility in connection with the EEA and Norway Grants?
Norway is part of the EEA Agreement which confers commitments on it. Can the EEA and Norway Grants be understood as a yearly membership fee for being part of the internal market of the EU?
Why are the priorities of the EEA and Norway Grants harmonized with those of the EU?
Is it justified to spend Norwegian taxpayers' money abroad when that money could well be used for domestic purposes?
Norway is one of the “greenest” donors. Does this have anything to do with its commitments under the Kyoto Protocol?
Norway is one of the most philanthropic nations in the world and runs several programs abroad (development assistance, humanitarian aid, peacekeeping, etc.) through several agencies. Are these activities harmonized? Is there an overall aid strategy?
What factors determine how much financial assistance certain countries get within the framework of the EEA and Norway Grants?
How are the priorities defined? Who are involved in the consultations on the priorities?
Will there be any change in the second phase? Why?
Is it predictable how long the EFTA countries will run the EEA and Norway Grants?
Is there any difference between the priorities of the EFTA countries? What? Why?
Are there any areas that the EEA and Norway Grants could not contribute to although there was be a “demonstrable need” in funding?
The EEA Grants is not simply a financial mechanism, it also a transfer of social

capital, knowledge and new business connections. What else?

To what extent do the program areas reflect the Scandinavian model?

Has the EEA and Norway Grants had any role in the increased trade volume between the EFTA and the newest EU member states?

What is the reputation of the EEA and Norway Grants in Norway? Are people familiar with it?

Can the EEA and Norway Grants be considered as an extension or consummation of the EU's regional development objectives?

Does the EEA and Norway Grants represent a new phase in the diplomatic relations of Norway and the EU?

Does the EEA and Norway Grants serve any foreign policy aims? If yes, which ones?

What is the weight of the EEA and Norway Grants in the diplomatic relations of Norway and Hungary?

Why was such a big emphasis on supporting the Hungarian non-profit sector?

When does the point arrive when we can say that the EEA and Norway Grants has reached its objectives?

FINALLY... Is there something you would like to mention?

Thank you for your assistance.

4. Semi-structured interview questions to Zsuzsanna Kondor and Zoltán Szabó

(Ms Kondor is head of division and Mr Szabó is an expert at the Coordination Managing Authority in the National Development Agency)

All information provided will be treated confidentially.

The EU expects member states' national authorities (e.g. National Development Agency) to cooperate with social partners in the preparation and implementation of various EU programs. This is defined as the “partnership principle” and it is one of the key principles of the EU cohesion policy. Members of civil society have experienced, however, that in reality partnership is more formal than substantive. What is your opinion?

Are civil society organizations professionally competent enough to take part in the preparation of strategic development documents for the implementation of the European structural policy (e.g. Operational Program documents)?

Civil society members often lament that they only have a representative role in the partnership processes but since they are in minority in the committees they are not really able to influence processes. What is your opinion?

Reviewing these documents, assisting in their implementation, monitoring and evaluating them has proved challenging for CSOs, mainly because of their low administrative and financial capacity. Do civil society organizations receive any compensation for their work (e.g. do they access to the Technical Assistance budget)?

The National Development Agency has the overall responsible for the implementation of the EEA and Norway Grants. Does the partnership principle apply to the EEA and Norway Grants as well?

How would you compare the way EFTA states and the EU set their priorities?

FINALLY... Is there something you would like to mention?

Thank you for your assistance.

5. Semi-structured interview questions to Domokos Szollár

(Head of Communications at Budapest Airport between 2004 and 2009)

All information provided will be treated confidentially.

What was your task as the head of the communications team at Budapest Airport?

How would you describe the conflict with the residents of Rákoshegy?

What has the airport done to reduce the noise pollution?

Why is it so challenging to sort out the problems concerning runway two and the designations of the noise relief zones by cooperating with the locals?

How does the airport measure noise impact?

The locals claim that the noise monitoring system the airport runs cannot be trusted. Why do they say this?

During the runway block in 2009 many houses were damaged due to the heavy turbulence. Who is responsible for this (airport, airways companies, air traffic control tower)?

During the runway block in 2009 the noise limits were exceeded several times but this did not have any consequences. Why?

Does the airport have an environmental license? If not, how is it possible?

FINALLY... Is there something you would like to mention?

Thank you for your assistance.